

BEER  
SCOTCH

M3  
le top

مكتبة الأهرام

Business  
in Germany?  
Landesbanken  
Sparkassen

# FINANCIAL TIMES

No. 27,463 Saturday January 21 1978 \*\* 15p

PIMS  
for the latest reports phone  
Richard Bagge, Dorking (0306 864-0)  
(Weekend and evening Ansaphone)  
exclusive to Schlesinger

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.25; DENMARK Kr.3.5; FRANCE Fr.3.5; GERMANY DM.2.5; ITALY L.500; NETHERLANDS Fl.2.5; NORWAY Kr.3.5; PORTUGAL Esc.20; SPAIN Ptas.40; SWEDEN Kr.3.25; SWITZERLAND Fr.2.5; GIRE 15p

## NEWS SUMMARY

### GENERAL

#### Smith offers terror amnesty

Mr. Ian Smith's Rhodesian Government yesterday offered black nationalist guerrillas an amnesty as part of its internal settlement scheme.

A communiqué issued in Salisbury said that steps had been taken already to inform guerrillas in the bush that if they return in peace their lives will not be in danger.

It was reported unofficially that since the New Year Rhodesian air and land forces have distributed leaflets urging Mozambique and Zambia-based guerrillas to lay down their arms and surrender.

The communiqué did not say what would happen to a surrendering guerrilla suspected of having killed white civilians. Fourteen white civilians have been reported killed in the past 20 days.

However, it said: "The Government intends to pursue this programme with the utmost vigour in order to reduce bloodshed and return the country to normalcy as soon as possible."

The Government is negotiating with Rhodesia-based nationalist parties for a peace settlement based on one-man, one-vote.

Page 11

### BUSINESS

#### Equities firm: Wall St. hit by snow

● EQUITIES were firm in quiet trading and the FT ordinary index closed 1.6 up at 487.6 for a week's rise of 6.7.

● GILTS recorded losses of 1 in spite of good news about slowing of inflation. The Government Securities index closed 0.13 down at 77.23.

● STERLING fell 10 points, closing at \$1.9225. Its trade-weighted average was unchanged at 66.1. The dollar lost ground in early trading and its depreciation widened to 4.51 per cent. (4.45).

● GOLD fell \$4 to \$173.

● WALL STREET opening was delayed by a snow storm, but closed 1.73 down at 776.94.

● EUROSTERLING bond market has announced two new issues—one for the European Investment Bank worth £25m and one for Rowntree Mackintosh worth £15m. Back Page

● PRIVATE INVESTORS have been selling their shares at a record rate—294,500 worth between July and September—according to statistics. Page 19

● U.K. COMPANIES will be bidding for contracts in the development of Venezuela's offshore oil and steel industries. The first stage of the steel mill project is estimated to be worth \$1.5bn. Back Page

#### Skyjacker held

An armed skyjacker who took over an airliner with 42 people on board was overpowered at Karachi last night after a scuffle with Air Marshal Nur Khan, head of the Pakistan International Airline. The Air Marshal was hit in the hip by a bullet.

#### Packer snubbed

The Australian cricket selectors have ignored Kerry Packer's players and named an inexperienced 15-man team to tour the West Indies next month. In Karachi, the final Test appeared to be heading for a draw. Page 8

#### Blow to soccer

Snow and ice will affect the weekend soccer programme with Scotland hardest hit. In New York which was almost at a standstill after blizzards deposited up to 15 inches of snow along parts of the U.S. north-east coast, a bank holiday was declared.

#### Sunday mail

Sunday postal services may be reintroduced soon, Sir William Barlow, Post Office chairman, said in Leeds yesterday. Page 12

#### Beer up

Scottish and Newcastle Breweries is to increase some beer prices by 21p a pint on January 30. Other brewery price rises are in the pipeline. Page 12

#### Dry humour

Mr. James Callaghan, the Prime Minister, invited to test a breathalyzer at a Cardiff factory, said: "It wouldn't really be any use. I gave up drinking in 1974."

#### Briefly...

Laws on public safety on pavements and roads are being reviewed by the Government because of the popularity of skateboards. Skateboard standards considered. Page 13

The King and Queen of Spain arrived in Britain last night for a private visit.

Monte Carlo Rally drivers, who set out from seven European centres to-day, face heavy snow in the Alps and elsewhere.

Japanese should help to reduce mounting rice stocks by drinking more sake, Mr. Nakagawa, the Agriculture Minister, urged.

The Soviet Union launched an unmanned space vehicle. Progress, to dock with Salyut-6.

A drunken Soviet truck driver has been sentenced to death for moving down a bus queue and killing eight people, it was reported in Moscow.

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Armitage Shanks	73 + 5	Sunday (B.)	225 + 8
Assted Fisheries	71 + 5	Talbot	231 + 31
Beecham	226 + 9	Tecalemit	1211 + 61
Burton	226 + 7	Tralagar House	181 + 9
Clark (Matthew)	150 + 18	Wace Group	42 + 6
Dawson Int'l	113 + 8	Wiggin (A.)	228 + 4
Eastwood (J.B.)	104 + 6	Castledale (Kang)	195 + 91
Gough Cooper	84 + 6	Harrison's Malt	75 + 21
Hall	136 + 16	London Sumatra	127 + 29
Harcroft Int'l	92 + 7	Lunova	185 + 25
Heron Motor	107 + 14	McLeod Russell	240 + 20
HW Samuel	97 + 3	Bishopsgate Plat.	79 + 5
Lebu (Harris)	120 + 4	Cons. Marchion	143 + 10
MEPC	125 + 1	Rostenburg Platinum	33 + 4
Neill (Jas)	94 + 4	Unilever	187 + 13
Newmark (Louis)	176 + 20	Treasury 10pc 1989	253 + 1
Rotork	124 + 6	Abbey Panels	50 + 1
Stock Conversion	270 + 5	Clifton Ives	9 + 3
		Oil Expln.	240 + 24
		Oakbridge	136 + 8

## 'Green £' proposal puts Lib-Lab pact in jeopardy

BY PHILIP RAWSTORNE

The Government yesterday threw the Lib-Lab pact into greater jeopardy by announcing plans for a 5 per cent devaluation in the "green pound" and rejecting Liberal demands for further concessions.

On the eve of the Liberals' special conference in Blackpool on the future of the pact, Mr. James Callaghan is reported to have vetoed a compromise with the Government's allies. The Government's decision—which will raise farmers' prices by about 5 per cent and food prices by about a penny in the £—came last night after two days of intensive talks with the Liberals had broken down.

Mr. John Pardo, Liberal deputy leader, and Mr. Gerald Howells, the party's agriculture spokesman, had been pressing Mr. Michael Foot, Lord President, and Mr. John Silkin, Minister of Agriculture, for a 10 per cent devaluation in the Common Market's agricultural exchange rate for sterling.

Late on Thursday night, the Liberals believed a compromise solution was near agreement. But Mr. Callaghan, apparently acting on behalf of the Cabinet, ruled it out.

Angered and disappointed by the rebuff, the Liberals are threatening to join the Conservatives and Scottish Nationalists in voting against the Government at the end of Monday's debate in the Commons.

Further efforts may be made on Monday to extract from the Government some last minute guarantees of a better deal this year for farmers.

The Government's amendments to the Tory motion demanding a 71 per cent devaluation says that the Government's action is "part of a move" in the course of this year to increase the net income of producers by 10 per cent, an amount which corresponds to the guideline figure in the Government's income policy.

Apart from the immediate danger to its Commons majority, the Government's decision inevitably will make Mr. David Steel's task more difficult when he tries to-day to persuade Liberals to back continuation of the pact until the end of the session.

### Timing

Mr. Cyril Smith and other opponents of the pact are bound to seize on the issue as another instance of Labour's reluctance to give any real ground to the Liberals.

Mr. Steele, who will be facing the biggest Liberal conference in post-war years—about 1,700 delegates—still hopes to reserve for the leadership the decision about the timing of the party's break with the Government.

## Sadat reiterates demand for Israeli withdrawal

BY MICHAEL TINGAY

PRESIDENT ANWAR SADAT reiterated to-day that Egypt's minimum demand for continuing direct negotiations on a Middle East peace settlement was Israel's withdrawal to a declaration of principles, including withdrawal from Arab territories occupied in 1967 and "Palestinian self-determination."

He dismissed the argument over Jewish settlements in Sinai, which was another major bone of contention at the abortive Jerusalem negotiations earlier this week, as a "loss of time" and a "joke."

The Egyptian leader stressed that "the door to peace was not closed." Mr. Sadat was speaking to reporters at his residence near the Nile Barrage after two hours of discussion with Mr. Cyrus Vance, U.S. Secretary of State, who arrived here to-day in a desperate bid to salvage the peace talks.

Mr. Vance said that he had made progress in talks last night in Jerusalem with Mr. Moshe Dayan, the Israeli Foreign Minister. He had "recorded" what took place to President Sadat.

The President told a questioner that "the whole approach to peace negotiations is being tested because we are losing time discussing, for instance, the settlements, and we should not lose time in this, because it is a joke."

"We were working on a declaration of principles in which Israel shows its determination to end the occupation of land occupied since 1967, and self-determination for the Palestinians."

## Swan Hunter lose Polish order

BY IAN HARGREAVES AND ALAN PIKE

RENEWED pay problems at Swan Hunter last night cost the Tyneside yard its last chance of sharing in any part of the £115m. Polish ships order.

After the failure of six-hour talks in Newcastle aimed at persuading members of the Boiler-makers' Amalgamation to concede job flexibility arrangements, British Shipbuilders announced "with regret" that an order to build four Polish bulk carriers, allocated to Swan Hunter only last week, had been withdrawn.

Three of the vessels will be built at Govan, and the fourth at Swan Hunter's Dock.

The decision is likely to force Swan Hunter into declaring up to 800 redundancies, starting with boilermakers, in the near future.

Swan Hunter should have received seven ships from the Polish order, but British Shipbuilders decided against allocating them to the yard in November when 1,700 outworkers refused to lift an overtime ban in support of a claim for pay parity with boilermakers.

### Eroded

The yard received a reduced share of the order last week, when the outworkers lifted their overtime ban after a £540 award from a fair wages hearing. This reduced the boiler-makers' differential to £2.87.

New trouble immediately arose from the boiler-makers, who resented the way in which the differential had been eroded and decided this week to revert from flexible working arrangements to a less productive one-man-one-job system.

British Shipbuilders' decision to withdraw the order came after Mr. Michael Casey, the chief executive, and other senior officials and the boiler-makers were trying to settle the differences. He had not yet given up hope of saving the ships for the Tyne.

### CONTENTS OF TO-DAY'S ISSUE

Overseas news	11-12	Leader page	14	Wall Street	22
Home news—general	12-13	U.K. Companies	20-21	Foreign Exchanges	23
—labour	19	Mining	2	Farming, raw materials	23
Arts page	10	Inf. Companies	23	U.K. stock market	26

### FEATURES

The revolution in the watch market	14	Home insurance and the storm damage	19	FT SURVEY	
		Televising Congress: The networks go for realism	12	Taking your ear on holiday	15-18

Appointments	25	Carding	4	SE Week's Deadline	24-25	Sare and Proper	21
Class	2	Call in	4	Travel	4	N & C America	13
Crisis	10	How to find a	4	TV and Radio	4	Lowest High Yield	15
Collecting	10	Insurance	4	Unit Trusts	27	Commonwealth Fund	30
Crossword Puzzle	22	Letters	16	Weather	3	Vanguard Funds	30
Crossword Answer	22	Man of the Week	16	Year Savings & Inv.	34	Consent Page 20	26
Editorial	1	Motorists	1	Prospect Place 128	34	Leading Rates	26
Entertainment	5	Parade	1	Arbitrage	3	Shilling: Sec. Rate	26
Finance & Family	4	Racing	22	Local and Gen.	5	Local Authority Bonds	26
FT Accounts Index	25-26	Share Information	25-26	Schlesinger Pl. Gift	19	U.K. Convertibles	25



## Retail price inflation in single figures

By Peter Riddell, Economics Correspondent

THE underlying level of retail price inflation is now well down into single figures and the 12-month rate should also move below 10 per cent. within two months.

The retail price index rose by 12.1 per cent to 188.4 (January 1974=100) in the 12 months to December, according to the Department of Employment figures announced yesterday.

This was forecast by Mr. Denis Healey, the Chancellor, in his spring budget. He predicted that the 12-month rate of increase would fall to 12 or 13 per cent. by the end of last year.

The 12-month rate should almost definitely be below 10 per cent. by mid-March.

This rate could remain in single figures until after the end of this year, even if the rise in earnings in the present pay round turns out to be between 12 and 14 per cent—as is now estimated in Whitehall—rather than the 10 per cent. ceiling.

This is because of the favourable offsetting effect of the rise in sterling on raw material costs. While this has made the medium-term inflation prospects brighter than was assumed last autumn, there would be a return to double figure rises in 1978 if earnings continued to increase by more than 10 per cent.

The underlying rate of inflation is now down to the average level for the main industrialised countries.

The improvement is best indicated by the rise in the index for all items except seasonal food measured over six months and expressed at an annual rate.

This was 7.4 per cent. in the period to mid-December, in single figures for the third month running, and in contrast with a rate of 20 per cent. last May.

The recent levelling-out in the rate of increase shown by notified prices to the Price Commission suggests that the underlying rate of retail price inflation may also be coming under control.

Continued on Back Page

## Carter takes different line on inflation

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 20.

PRESIDENT CARTER to-day proposed a new, voluntary anti-inflation programme, involving consultation between the Administration, business and labour, and with the goal of reducing the rate of growth of inflation by 0.5 per cent. a year over the next two years.

At the same time, he formally proposed that the corporate tax rate be cut to 45 per cent. from the present 48 per cent. on October 1, with a further reduction to 44 per cent. in 1980.

He also recommended that the 10 per cent. investment tax credit be made permanent, and its applicability widened.

These were the principal points in his separate Presidential economic report to Congress, published to-day as part of a barrage of economic policy statements emanating from the Administration.

President Carter mentioned some of his proposals in his State of the Union message last night. More details will be forthcoming in the full tax proposals and the Budget, due to be released over the next three days, and the report of the council of economic advisers, out next week-end.

Mr. Charles Schultz, chairman of the council of economic advisers, acknowledged yesterday that the new anti-inflationary programme might abandon an earlier Administration goal.

The previous policy unveiled last April, had the target of reducing the underlying rate of inflation to 4 per cent. a year by the end of next year.

Mr. Schultz agreed that to cut the underlying rate, now running at more than 6 per cent. a year, by 0.5 per cent. a year would be a considerable achievement.

### More modest

Both predictions are rather more modest than those advanced by the Administration for much of last year.

Mr. Schultz vigorously contended that the net \$25bn. tax reduction would be necessary to boost the economy this year. But he also found himself hard-pressed to defend the proposition that the tax proposals amount to any net stimulus.

It is generally reckoned that over the next two years, the U.S. economy will be affected by a "tax drag" of close to \$30bn.—half as a result of higher social security levies and half stemming from inflation pushing individuals into higher tax brackets.

This, it is argued, wipes out the planned stimulus—\$25bn. in new tax cuts and \$5bn. left over from last year's mini-reflationary package.

### No enforcement

The basic presumption of the new plan is that "wages and prices in each industry should rise significantly less in 1978 than they did on average in each of the last two years."

The programme would be without enforcement teeth and would not constitute public "lawbreaking," he said. Because of great industry-industry variables, no numerical standards by which rises in wages and prices could be measured would be set. Other available options, including controls and guidelines, had been rejected.

Rather, the intention was to launch "a consultative process" out of which "a general standard of behaviour asserting the public interest" would evolve. The consultations would principally take place in private.

Some businessmen may feel

Michael Blanden writes: The dollar lost ground in early London foreign exchange market dealings yesterday, reflecting an initially disappointed reaction to President Carter's State of the Union speech. It picked up later, probably with the help of official Swiss support.

The dollar ended slightly higher against the Swiss franc and a little lower against the West German D-Mark. The pound lost 10 points to \$1.9325, with its index against a basket of currencies unchanged at 66.1.

### £ in New York

	January 20	Previous
Spot	\$1.9350-9350	\$1.9325-9330
1 month	\$1.9417 (prev. \$1.9416)	
3 months	\$1.9483 (prev. \$1.9482)	
12 months	\$1.9740 (prev. \$1.9740)	

## EXTRA HIGH INCOME

### ARBUTHNOT OFFER

# 10-22%\*

with the  
**ARBUTHNOT EXTRA INCOME FUND**  
(Formerly the British Income Fund)

- One of the highest incomes available from an authorised unit trust.
- Portfolio is well balanced with 58% in equities (high yield and growth prospects), 40% in preference shares (high yield and stability), and 2% in loan stocks (income). Through increased funds invested and capital growth, this fund has increased from £350,000 on 21st March 1977 to currently over £3.5 million.
- Fund has good long term record, both for income and capital appreciation.
- Share exchange—you can acquire units more advantageously through share exchange scheme. Tick box in coupon for details.

The price of units and the income from them may go down as well as up. Your investment should be regarded as long term.

Fixed price offer until January 27, 1978 at 122.0p (or the daily price if lower)

The Manager reserves the right to close this offer should the value of units rise by more than 25%.

Applications will be acknowledged and unit contracts will be issued within 35 days. The offer price includes an initial charge of 6%. The annual charge is 3% + VAT. Half yearly distributions, net of basic rate tax, are made on 15th June and 15th December for those registered on 30th April and 31st October respectively. After the close of this offer units may be purchased at the weekly (Wednesday) dealing date, when units can also be sold back. Payment will be made within 14 days of the dealing date and on receipt of your certificate duly countersigned by the Manager.

Applications should be made to the nearest recognised agent. This offer is not open to residents of the Republic of Ireland. Trustees: The Royal Bank of Scotland Ltd. Manager: Arbuthnot Securities Ltd. (Reg. in Edinburgh 40584) Members of the Unit Trust Association.

To: Arbuthnot Securities Ltd., 37 Queen St., London EC4R 1BY or phone: 07-236 5281. Directors: Sir Trevor Dawson Bt. (Chairman), M.C. Barnett (Managing), A. Fiddes, G.H.E. JP, A.R.C. Arbuthnot, C.D. Lawton, F.C.A., M.P. Ranton, Prof. R. Smith, B.A., M.Sc., Ph.D. (Econ.), P. Ashley Miller, F.C.A.

1/We wish to invest the sum of £ (min. £500) in Arbuthnot Extra Income Fund Units and enclose a cheque payable to Arbuthnot Securities Ltd.

☐ SHARE EXCHANGE SCHEME. TICK BOX FOR DETAILS

I/We declare that I am/we are over 18 and not residing outside the scheduled territories nor am I/we are acquiring the above mentioned securities as the nominee(s) of any person(s) resident outside those territories. (If you are unable to make this declaration, it should be deleted and the form lodged through your Bank, Stockbroker, or Solicitor in the United Kingdom.)

Signature(s)  
Joint applicants, all must sign. State Mr/Mrs/Miss or Titles and Forenames  
Full Name(s)  
Address(es)

ARBUTHNOT Established 1833



# The week in London and New York

## Second-line stocks in demand

### ONLOOKER

TRADING IN the market this week was extremely thin although there was a fair amount of interest in the second line stocks particularly those with some speculative appeal. Ahead of the Trade figures on Monday buyers were few and far between and the eventual disappointing announcement left both equities and gilts drifting lower.

Concern over the trade figures was again apparent on Tuesday and gilts were lowered throughout the day finishing on balance about 14 points down. Some recovery was, however, noticeable after this on the back of some cheap buying and bear covering and over the course of Wednesday and Thursday gilts and equities made up the leeway lost.

The momentum was kept up yesterday following the encouraging implications of the latest Retail Price Index, although in late dealings gilts came in for some profit taking.

### Motor distributors

The motor distributor sector has made a racing start to the year. This week saw another set of sparkling results from distributors, a £10.7m. bid for Toyota dealers, Price and Clarke, while Fiat announced plans to extend its dealerships; as overseas manufacturers gear up to take an even bigger slice of the U.K. car market in 1978.

According to results published over the past fortnight, motor distributors' profits rose by an average 60 per cent. last year, during a period when U.K. car registrations rose only 3 per cent. Underpinning profits has been the companies' increasing involvement in car hire and leasing which is much more profitable than straight car sales.

It is estimated that between 50 per cent. and 70 per cent. of all new U.K. car registrations now end up in company fleets and an increasing percentage of this business is through leasing and hire deals.

The British Vehicle Rental and Leasing Association said yesterday that leasing business may have increased by 10 per cent. since last June when controls demanding that corporate customers pay a ten month deposit were scrapped.

Under the 1971 Finance Act—and following a test case involving Godfrey Davis in 1975—car hirers are allowed fully to depreciate the cost of a new car in a single year. The tax advantages of this concession have not escaped the notice of

the banks which have become increasingly involved in financing leasing deals.

This is a mutually beneficial arrangement since the finance house can eventually sell the vehicle back (at a substantial discount) to the dealer thereby providing a ready supply of cars for the second hand market. The Bank of Scotland recently took a 26 per cent. stake in Healey to obtain an outlet for its leasing and hire purchase business.

### TV smiles

Advertising revenue figures released this week for the independent TV companies, showing a 38 per cent. rise in December, closed the book on a year that far exceeded expectations. Revenue for 1977 as a whole was up 30 per cent. as a whole was up 30 per cent. as a whole was up 30 per cent.

Trident's figures released this week were up to scratch with full year profits over 50 per cent. higher at £7.96m. But the figures were not without a sour note. The TV rental operation in Australia turned in a small loss. At the interim stage, when Australia had moved into the black, it seemed as if Trident's major diversification—as established and that it was a matter of letting the rental income roll in.

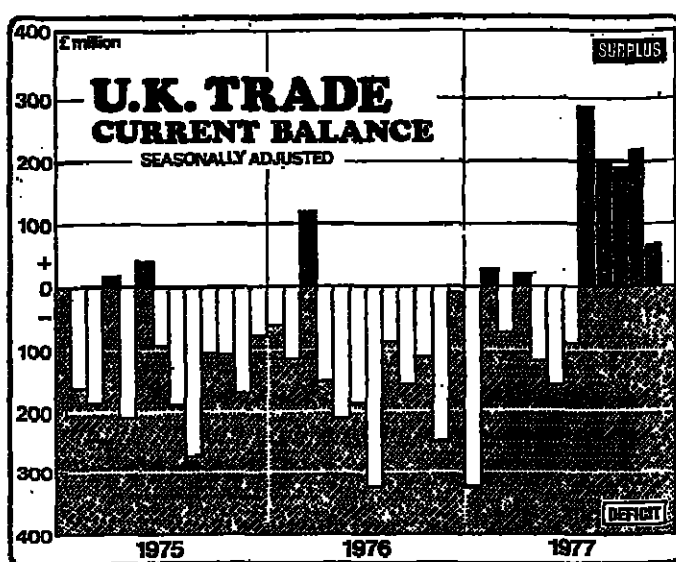
However Australia has been difficult for many—EMI sold out its TV manufacturing to Rank and Nippon Electric—and to restore profits Trident will have to expand its set density by acquisition.

Anglia was the one contractor to disappoint. Profits expanded just 11 per cent. pre-tax. At the operating level the company was 40 per cent. higher—well up to the mark—but after levy payments (two-thirds of TV profits) most of the £11m. gain was creamed off. Overseas programme sales (free of levy) were flat, but Anglia is going all out to do better this year.

### Spotlight on Racal

Racal's share price bounced back 16p in two days this week as the stock market breathed a sigh of relief that the bribery trial involving two former Racal employees had ended.

However, Racal's share price has still fallen by three times more than the All-share index since the shares peaked at 270p last September. Bad publicity generated by the trial will not have helped but the market is more concerned that Racal's dramatic growth phase must



soon end unless the group buys its way into new markets. This could be expensive. Worries about the exchange rate have not helped the share price.

### Drinks up

Mr. Roy Hattersley's speech at the annual dinner of Licensed Victuallers probably caused a few pangs of indignation. The Prices Secretary took a hard line on the need for increased competition, and the frequency of price increases. "If there ever was a real need for such frequent increases the time is past."

In a week when the Price Commission had to allow Allied Breweries a 2p a pint interim price increase and Scottish and Newcastle has been nudged through with a similar rise, Mr. Hattersley's comments hint at some strong resentment within the Government to the scale of price increases.

Though the Commission may have difficulty in limiting beer prices this time, the full investigation into Allied is bound to be abrasive. Next time the brewers might find the going a lot tougher. Some indication of things to come was given by Scottish. It got its price rise but not without a promise to hold prices until next October.

Elsewhere Distillers' an-

nouncement of a 10 per cent. price increase for exports looks like a real slap in the face for the EEC Commission, which recently ruled against DCL's dual pricing policy. If the EEC gets tough it could stop DCL withdrawing Johnnie Walker from the home market. U.K. agents would then be in a position to undercut European agents. It could be bad news for DCL if its overseas agents stop promoting Johnnie Walker.

### Sterling bites deep

Three further indications of the effect of sterling's strength on corporate profitability became apparent this week.

Announcing profits for the year to November 5, Gestetner revealed that its £28.3m. pre-tax figure had been deflated by £3.9m. because of exchange rate movements. However, even though around four-fifths of the group's turnover comes from overseas, the group's reliance on direct exports (£45m. out of total sales of £228m.) is limited.

Analysts' expectations of 670m. pretax from Courtaulds now look very ambitious. Second half profits in the year to the end of March could be lightened by around £5m. in lost margins on exports. The group is operating in a high volume, low margin business, and the fibre industry is already suffering from international over-capacity. Little more than £50m. is now being looked for when the group announces preliminary results later this year.

ICI is picking up one of the larger bills from a strong pound. It indicated on Thursday that the final quarter's deficit for the three months to December arising from currency movements will be £19m. That compares with a mere £2m. for the third quarter, after which pre-tax profits were £105m.

### THE TOP PERFORMING SECTORS IN FOUR WEEKS FROM DEC. 22

	% change
Mining Finance	+7.8
Office Equipment	+5.3
Mechanical Engineering	+4.3
Textiles	+4.2
Insurance (Life)	+3.9
Property	+3.8

### THE WORST PERFORMERS

	% change
All-Share Index	-0.6
Chemicals	-2.7
Food Manufacturing	-3.1
Insurance Brokers	-4.4
Food Retailing	-4.9
Oil	-5.4
Investment Trusts	-7.8

### U.K. INDICES

	Jan. 20	Jan. 19	Jan. 18
Average week to	77.16	77.45	78.23
Govt. Secs.	77.16	77.45	78.23
Fixed Interest	80.80	80.88	81.15
Industrial Ord.	479.0	484.7	491.3
Gold Mines	145.1	139.4	134.5
Dealing mtd.	5,610	6,055	5,395

### FINANCIAL TIMES

	Jan. 20	Jan. 19	Jan. 18
Govt. Secs.	77.16	77.45	78.23
Fixed Interest	80.80	80.88	81.15
Industrial Ord.	479.0	484.7	491.3
Gold Mines	145.1	139.4	134.5
Dealing mtd.	5,610	6,055	5,395

### FT ACTUARIES

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### GRANADIA

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### HTV

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### ANGLIA

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### ATV

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### BORDER

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

### CHANNEL

	Jan. 20	Jan. 19	Jan. 18
Capital Gds.	208.85	211.05	211.64
Consumer (Durable)	191.33	192.29	194.53
Cons. (Non-Durable)	198.30	202.09	205.41
Ind. Group	205.03	208.20	210.52
50-Share	226.02	229.52	232.52
Financial Gp.	173.32	175.79	175.87
All-Share	210.46	212.57	216.13
Red. Deba.	63.23	63.21	63.04

## Cold comfort

BY JOHN WYLES

NEW YORK, Jan. 20.

F. G. WODEHOUSE might have described Wall Street as less than grumpy this morning for an extraordinarily heavy snow storm had dimmed a spotlight which would have been very firmly focused on the New York Stock Exchange today. The nation's attention had been directed to Wall Street by none other than President Carter who had apparently taken to heart the oft-repeated nostrum that he was not inspiring enough confidence in the business community and had indicated in an off the cuff remark earlier in the week that "We'll see how good a speech it is by what the market does on Friday."

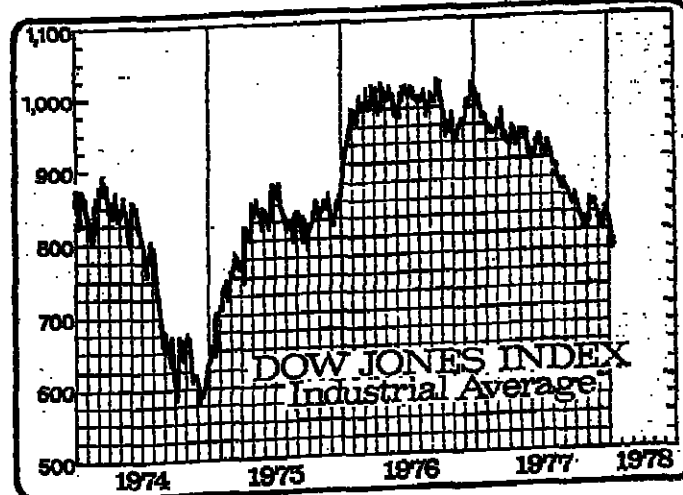
He was referring, of course, to the State of the Union speech he delivered to the Congress last night. But unfortunately the market has been doing nothing this morning because many of the people who man it were either stranded in their homes or unable to get to the Stock Exchange in time for its normal 10 a.m. opening. The verdict on the State of the Union speech, therefore, will be inconclusive as far as today's trading is concerned for activities will be confined to a brief four-hour period and much distracted by the blizzard still raging outside.

As we have seen for more than a year now the market has often

failed to discriminate between good and bad news and has reacted to both by wiping value off the Dow Jones Industrial Average. Whether the President was very politically wise, therefore, in implying that the most important judgement on his speech would be delivered by the Stock Market is a matter for debate and certainly the responsibility proved too much for the market yesterday where a certain stage fright set in and put an end of two days of substantial advance.

Analysts held out little hope of the market doing anything other than flailing its lines partly because items such as the \$250m. tax cut and a new exhortation to pass the energy legislation all old hat as far as Wall Street is concerned. However, the market's reaction should not be prejudged and the State of the Union mood will unfold next week.

In the meantime, the state of the dollar in world currency markets and the levels of interest rates remain the principal preoccupation among investors. Since the dollar fared better this week the market was able to start adjusting to the new higher level of short-term rates and, after Tuesday and Wednesday's rallies, there was speculation that institu-



tional investors may be about to leave the sidelines and take advantage of bargain prices. They did not do so to any appreciable extent partly because of uncertainty about whether the market has reached bottom and partly because attractive investments can be made elsewhere. Alternatives include the fixed income markets where falling prices are producing yields substantially higher than on equities. Nothing this in a re-evaluation of portfolio planning this week, Salomon Brothers called for a positive approach to equity investment through a portfolio based on current yield and dividend growth. In the past ten or 12 years dividend growth averaged 3 or 4 per cent. a year has nowhere near compensated for equities' disadvantage on yields compared to bonds. However, this disadvantage has been narrowing over the past couple of years, partly because of a considerable improvement in dividends. Across the board they were up 16 per cent. in 1977 and Salomon predicts a 9 to 10 per cent. growth rate over the next four or five years. Thus it should be possible to identify companies whose combination of yield and dividend growth could match the risk-free return on the standard chosen by Salomon, the 90 day Treasury Bill.

	Close	Change
Monday	771.74	-3.99
Tuesday	773.02	+7.28
Wednesday	775.60	+7.28
Thursday	778.87	+7.43
Friday	776.94	-1.73

## Mining On a cheerful note

BY KENNETH MARSTON, MINING EDITOR

MINING share markets have had a generally more cheerful week. Helping matters has been a recovery in the investment dollar price which has increased in the London prices of overseas stocks. The effective rate was 34 per cent. last night compared with only 25 per cent. a fortnight ago when there were fears that it might disappear altogether.

Platinum shares have also been helped by the recovery in their metal price which on the free market has now crossed the \$200 per ounce mark, comfortably ahead of the recently increased price of \$180 which is quoted by the leading producers. Rustenburg Platinum and Impala Platinum.

Then we have had further buying of Consolidated Gold Fields on continued talk that some kind of take-over deal is in the offing. No fresh theories about who might be interested in a liaison have developed since the talk that Atlantic Richfield was a contender was knocked on the head by a denial from the U.S. oil group.

If anything is happening, it could be linked with Gold Fields' desire to tidy up its international spread of interests and to build up the group's non-gold interests, notably in the U.K. and U.S. This would in due course lessen the dependence for a major part of income on South African gold.

Whatever the political objections, the 49 per cent. stake in Gold Fields of South Africa remains of prime importance to Gold Fields as a revenue source and is a very desirable property. It might not be difficult for somebody to persuade Gold Fields to do a deal over GFSA, but it would have to be a good offer.

Who would be prepared to embark on such a major South African investment? In answer, if such a deal is on the cards, it appears to lie within the Republic. And in the mining field there, the growing Federale Mynbou-General Mining camp would be a logical candidate.

But a curious aspect about the whole affair is that it has been mooted for several weeks now and the sharemarket can still do no more than produce the same of theories.

Meanwhile, this week has

brought the bulk of the December quarterly reports from the South African gold producers. Although, for various reasons their production was lower in the period and costs increased, working profits have marched ahead in line with the share, increased average gold prices.

Indeed, these prices have been higher than \$170 per ounce which is above the levels obtained on the bullion market during the quarter. The answer is partly that the mines sell their gold to the Reserve Bank at the "official" price of \$42 and subsequently receive a large difference between that and the higher price obtained by the bank when the metal is sold on the free market.

Thus, depending on the timing of sales, there is a carry over of income from quarter to quarter. Furthermore, there was a heavy demand for Kruggerand gold coins in the December quarter and the mines receive the price premium about 3 per cent.—that the coins command over their gold content.

Important though they are, quarterly working profits have to be looked at against those of the preceding periods in order to gauge the trend. Uranium producers, for example, are subject to erratic income. Harmony did well in this respect last quarter and so the gold-uranium mine's surplus staged a sharp advance.

On the other hand, uranium income diminished at Hartbeespoort and Buffels. Then, too, an eye has to be kept to individual mines' tax position. St. Helena boosted its gold revenue, but much of the benefit was absorbed by a rise in the tax charge following the virtual completion of the capital expenditure programme which in South Africa ranks as a tax offset.

Angle-Vaal's antimony-producing Consolidated Murchison made reduced shipments of concentrates last quarter and still had to live with a depressed market for its product. Earlier warnings were thus borne out with a quarterly loss, the first for six years. We can only hope that the current quarter will bring better tidings, but Murchison will remain in the

wood until there is a revival in the antimony market.

Like so much else, this depends on a revival in the world economy and there are hopes of some pick-up in the current half of this year, but few observers are prepared to take a longer view. For the time being, therefore, gold and uranium are attracting most interest in the mining world.

## GOLD MINE WORKING PROFITS

	Dec. quarter	Sept. quarter	June quarter	March quarter
Stydwoudtzicht	2,004	2,004	2,004	2,004
Pracsa	2,252	2,159	2,144	2,399
Buffelsfontein	10,420	11,383	12,550	8,925
Doornfontein	5,635	2,381	3,236	332
Durban Deep	+1,444	+2,596	+2,048	+2,598
E. Daggafontein	2,482	2,116	2,546	2,688
E. Rand	46,272	40,819	33,224	25,493
E. Transvaal	+1,426	+2,604	+2,984	+2,615
F. S. Geduld	38,585	28,242	27,867	15,007
Grootevlei	3,288	1,845	1,444	1,148
Harmony	1,129	2,312	2,546	12,011
Hartbeespoort	17,490	15,983	12,525	6,428
Klipdrif	7,651	5,494	5,674	5,007
Kloof	9,337	7,542	9,891	5,484
Leslie	870	364	104	224
Lithuan	7,844	5,227	6,714	3,142
Lorraine	1,153	+1,434	+2,704	+2,704
Masbela	1,841	639	1,016	841
President Brand	17,402	12,271	14,719	12,505
President Steyn	9,822	10,524	4,229	5,187
Randfontein	14,447	11,452	11,019	11,150
St. Helena	11,955	8,849	8,829	10,832
St. Ignace	11,686	2,901	2,571	2,571
St. Roodpoort	+1,162	+1,168	+1,116	+90
Stilfontein	2,709	+1,130	+1,590	22
Vaal Reef	37,778	20,828	19,024	12,657
Venterpoort	+1,50	1,135	124	757
Vlakfontein	30	30	713	989
Welkom	4,281	1,812	2,620	2,160
W. Driefontein	53,086	40,445	38,445	32,148
W. Rand Consolid.	+1,212	+1,472	1,447	+1,







# Finance and the family

## Intervals for rent review

### OUR LEGAL STAFF

at please is the position of a rent is not registered, has merely been agreed between landlord and tenants? they subsequently agree revised rental from time to time or is there provision in the Rent Acts for a three year review only?

there has not been any variation of the rent under provisions of Section 72 in the Rent Act 1977, parties are free to agree new rent at any intervals they see fit—however such agreement not preclude the right of her party to apply to the Rent Officer to have a fair rent fixed.

### Finding up delays

am the chief beneficiary of the estate of someone who died in the middle of 1976. The estate involved is substantial and as I understand it a small claim against the estate has been dealt with, and two minor bequests have been paid. Nothing now seems to be happening. Do you consider it is reasonable? What steps should I take if completion does not take place soon? The period which has elapsed is by no means too long if the latter is other than a straightforward small estate. Clearing

the tax liabilities alone is likely to take much longer. Your best course is to maintain a constant pressure for both information and action. We doubt if you would be well advised to have recourse to the Court (an Administration Action) until a much longer time has elapsed.

### Covenant to U.S. citizen

My daughter emigrated to the U.S. some years ago. Is now married and is a U.S. citizen. I propose giving her a quarterly allowance by way of a deed of covenant, deducting tax therefrom, and paying the money into an external account she holds in a U.K. bank. She has no other income from the U.K. Can she reclaim the tax deducted?

We take it that you are aware of the procedure for applying for Bank of England permission to execute a deed of covenant in favour of a relative living outside the Scheduled Territories. If not, you should consult your bank. You do not give us any idea of the figures involved, but it seems pretty clear that (at present) your daughter will be liable for basic rate tax on the covenanted payments, so that she will have neither a liability

nor a repayment—barring late changes in basic rate in future years, etc.

However, if the 1975 U.S./U.K. double taxation convention eventually comes into force in its present (thrice amended) form, it looks as though your daughter might be retrospectively exempted from U.K. tax on the covenanted payments by article 22. If you are interested, you will find copies of both the 1945 and the 1975 U.S./U.K. conventions (as amended) in a public reference library in, for example, volume F of Simon's Taxes (ISBN 0 406 06866 6).

### Shareholdings of relatives

I and my son each hold 9,000 £1 shares in a private company. My wife holds 1,000 £1 shares. 1,000 £1 shares have not been distributed. Would the Inland Revenue consider the shareholding of my wife and myself as giving me personally controlling interest in the event of my death or transfer to my son during my lifetime?

Yes, the shareholdings of yourself and your wife are related, so that each of those two shareholdings must be valued as a majority shareholding. However a gift of 1,001 shares to your son could be effected inter vivos thus leaving the balance

of your and your wife's shares as a minority holding. Although Capital Transfer Tax would fall to be paid on a valuation of the 1,001 shares as a majority shareholding, thereafter a transfer would be of a minority.

### Auctioneers and principal

I have seen a case reported in the local paper where an auctioneer allowed goods bought at an auction to be removed and for the cheque in payment for the goods subsequently to be dishonoured. Would it not be up to the auctioneer to make up for the loss of his principal?

The liabilities as between the auctioneer and his principal would be governed by the terms of the contract between them. We cannot offer any general observation as to what these might be. In the absence of any contractual term the issue might have to be decided on the custom of the profession in the relevant district or on implied authority.

### Planning and a name

My wife has obtained permission to run a business of shopping by post (office and storage rooms) from our house. Do you think there is any way in which she can sell direct to callers, without infringing planning permission by calling the premises a craft gallery or show?

We do not know the precise terms of the conditions of the consent which has been given. It will not however avail you to give to the activity carried on at the premises in question a label which does not accurately reflect the business in fact carried on there. If there is an effective condition restricting the use to office and storage rooms you cannot conduct retail sales (other than by post) from the premises without a further planning permission.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

# Insurance

## Index-linked cover for homes

### BY JOHN PHILIP

MOST INSURERS providing household cover have spent the last year actively encouraging policyholders first of all to get their sums insured adequate both for buildings and contents, and then to get them index linked, to avoid the need for constant annual revision.

But often the practical effect of index linking seems still not to be clearly understood, while quite a number of people confess themselves wary of committing themselves to subsequent premium increases of incalculable amounts. So, this week a quick look at how the majority of insurers are applying index linking to home insurance.

The most commonly used indices are the Housing Cost Index prepared by the Royal Institution of Chartered Surveyors and the Durable Household Goods Section of the Retail Price Index. Insurers link buildings sums insured to the former, contents sums insured to the latter. The movement of each index is recorded month by month throughout the year, respectively, in the magazine "Building" and in the Department of Employment Gazette. And these records show that in the period February 1977 to January 1978 the buildings index had moved up by 10.75 per cent. and the contents index by 14.80 per cent.

So anyone having his buildings and contents cover renewed about now, and having arranged in January 1977 for that cover to be index linked will find that his 1978 renewal is being invited with both the sums insured and the premiums revised in percentages of this order.

But during the year the index linked policyholder will not have to pay any extra premium while his sums insured move forward in step with inflation: nor does he have to pay any extra premium in retrospect. Premium is still calculated in relation to the then sum insured at the start of the insurance year.

The month by month movement of the appropriate index controls the maximum sum insured, and so provides a moving financial ceiling to insurers' liability, which for a total loss will be greater by the appropriate percentage the later in the year the claim occurs.

Incidentally it is only in the relatively short term that the movement of the buildings index has fallen behind that of the contents index: usually they keep pace with one another or the buildings index is ahead: taking December 31, 1973, as our starting point, by November last year the buildings index was standing at 181 and the contents index at 175. So if you have avoided revising your

home sums insured for the last four years, and moreover still wish to avoid index linking, doubling up now on 1973's cover ought to leave a bit of elbow room for this year's inflation.

As I said earlier, some people are wary of committing themselves via index linking to future premium increases of unknown size: but the faster inflation runs, the more important it is that adequate sums insured are maintained—and an inevitable consequence is the requirement of ever increasing premiums.

Over the last few years we have all become thoroughly accustomed to frequent rounds of motor insurance rating increases: if each year's motor renewal is less than 15 per cent. up on the previous year's it is a cause for comment and self congratulation. What we have to recognise is that the annual cost of our home insurances must rise in much the same way, and for the same basic reason, inflation.

In theory it is always possible for the index linked policyholder to go to his insurers at renewal and ask them to cancel the index linking facility—for no insurer yet makes index linking obligatory. But what insurers may now do, in practice, is to require the policyholder to have his policy endorsed with what they call a condition of average—so that

if the sum insured is inadequate at the time of loss then the policyholder has to make his own contribution proportionate to that degree of underinsurance.

Many policyholders who have arranged their mortgages with building societies were at first left out of insurers' premium uplift/index linking campaigns. This was principally because the building societies wanted to give insurers' proposals full consideration before lending their support, as the majority are now doing. So it is only now that many existing building society mortgages are being given the opportunity of index linking as their renewals come round. At the same time most national building societies... are now actively encouraging new borrowers to consider index linking from the word go.

But there are some (usually the smaller) building societies that have not yet, so to speak, taken the plunge—most probably for administrative reasons. Whatever their reasons, I think that they are failing in their duty, as intermediaries, in their duty in bringing the merits and opportunities of index linking to their policyholders: and I would recommend any interested mortgage policyholder who has not yet been offered index linking to get in touch with his building society and ask why not.

## Capital gains warrants

in your issue of December 10, under capital gains warrants, you mentioned that such warrants could be wasting assets. Does this apply to lat-West warrants? If such warrants have a probable value and are then sold say two years later, what would be the base price for capital gains as purposes?

The distinction made in the reply published on December 10 (Capital gains warrants) was between warrants to subscribe and warrants to purchase. Monagu Boston warrants carry a right to subscribe, whereas New Throgmorton warrants carry a right to purchase.

The importance of this distinction lies in section 58 of the Finance Act 1971:

"58.—(1) The following provisions of this section shall apply where . . . an option to subscribe for shares in a company . . . is disposed of or abandoned on or after 20th April 1971.

(2) If the option is abandoned or the abandonment shall, notwithstanding paragraph 13(3) of Schedule 7 to the Finance Act 1965, constitute the disposal of an asset (namely, of the option).

(3) Paragraph 10 of Schedule 6 to the Finance Act 1965 (restriction of allowable expenditure for wasting asset) shall not apply, and accordingly paragraph 14(4) of Schedule 7 to that Act (which determines the life of an option which is regarded as a wasting asset) shall not apply to such an option as is mentioned . . . above.

(4) The preceding provisions of this section do not apply in the case of such an option as is mentioned . . . above, unless it is of a kind which, at the time of abandonment or other disposal, is quoted on a recognised stock exchange (within the meaning of section 595 of the Taxes Act) and there dealt in in the same manner as shares; . . .

Although Nat-West warrants carry an alternative right to convert, we understand that the Inland Revenue do not regard the existence of the conversion option as limiting the protection given under section 58 by virtue of the alternative right to subscribe. That being so, there are no CGT complications, and probate value will stand (undiminished).

## Education A new order of priorities

ANY ENTERPRISE which annually spends more than £7bn, has well over half a million employees, and deals with about 9m. customers in 30,000 establishments must reasonably expect its activities to draw public interest in its activities. So professional educators—and I as a former secondary-school head still count myself among them—can sensibly resent the questions which the lay public have been asking over the 15 months since the Prime Minister initiated the great educational debate.

The primary question is, of course, what are the schools for—what should they teach, and who should decide? And we professionals have certainly not lacked general advice on this topic.

We are told that in addition to a "core" curriculum of numeracy, literacy, science and a foreign language, schools should teach the basics of road safety; elementary law; problems of the environment; preparation for parenthood; sex education; consumer affairs; and politics, among other "essentials." All these are worthwhile aims.

To take but one example, the school-leaver has usually an alarming ignorance of political affairs, and no less a body than the TUC has pinpointed the truth that most young people leave school politically and economically illiterate. But as with all the other admirable suggestions, questions remain unanswered. First, where do we find the teachers? Only one university department of education has appropriate specialist staff, the contribution of the colleges of education in this field is minimal, and as far as I am aware, no local authority has appointed a special adviser

for politics as a subject.

Secondly, how do we, in the schools, find space in a timetable in most cases already overloaded? With knowledge increasing exponentially, one of the greatest problems in education is not so much what to put in as what to leave out.

Moreover in most teachers there is an understandable academic inertia which inhibits enthusiastic acceptance of the

every child will undergo some craft and aesthetic education.

With good will, none of this should present insuperable difficulties. But it must be realised that the common core will occupy at least 60 per cent. of the timetable. The problem will be how best to utilise the remaining two fifths, given a very wide variety of other claims among the pupils.

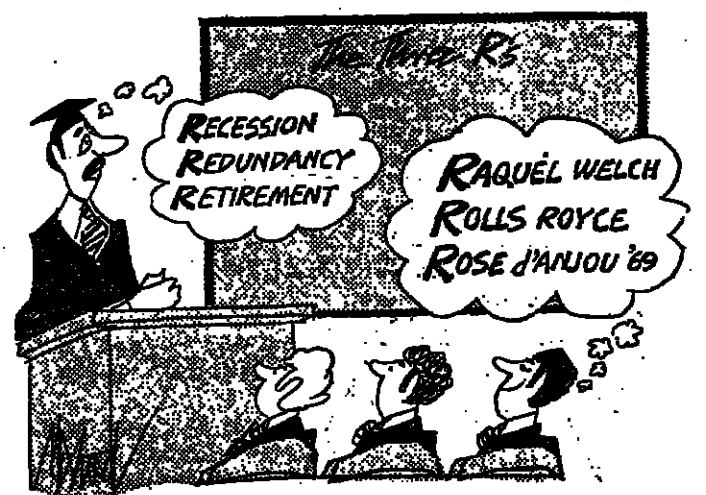
Industry should co-ordinate their efforts to redress a balance which is steadily tipping towards "non-productive" work. To set matters to rights requires, not just the much advocated adjustment of present school and industrial attitudes, but a radical reassessment of educational practice and a new order of priorities.

It is beyond the teaching profession to achieve this without practical help, as distinct from fine words and governmental tinkering with administrative machinery, from the other sectors of the community concerned. And it is even further beyond teachers' ability to meet what could well be the most threatening development on the horizon—the signs of the growth of a permanent pool of unemployed people.

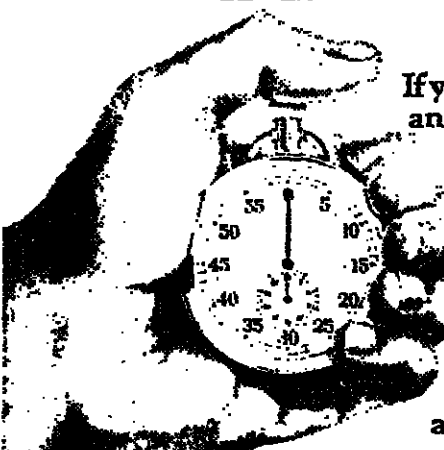
Already it is very hard indeed to find employment for the subnormal child. It now seems inevitable that as the automation of work increases, the scarcity of job opportunities will extend to affect more and more of the less academically able pupils. As things are, schooling has very little hold on the interests of many thousands of this group. Often, in my experience they would not bother about the Three Rs unless these could be seen as a help towards paying for the Three Bs—beer, bikes and birds.

So if our society is going to move to a position where a job, far from being a right, is a privilege, society needs to help the education profession to devise curricula which match the needs of those who no longer have work prospects to motivate them.

THORNTON PEARN



## From Vanbrugh—A new pension plan you can appreciate in 5 minutes



If you're busy and self-employed, you're unlikely to have the time to absorb the considerable complexities of the hundreds of different pension plans currently available to you.

However, the decision you make when choosing a plan is obviously of considerable consequence to your future financial well-being and general happiness.

Fortunately, the advantages of the new Vanbrugh Flexible Retirement Plan are such that they can be appreciated by a busy man in a few minutes. If you can spare us that much time, we're confident you'll be convinced that this is a plan which can solve your personal pension problems.

### Making the most of a valuable opportunity

Being self-employed, you are entitled to invest up to 15% of your annual earnings up to a limit of £3,000 (more if you were born before 1916) in a pension plan and qualify for full tax-relief on your payment.

### Variable Contributions—from year to year

The Vanbrugh Flexible Retirement Plan lives up to its name in a variety of important ways. For a start you can increase or reduce your contributions from year to year, according to how prosperous you may or may not be at the time (You can even miss a whole year, if necessary.)

### Choosing the investment that suits you

The Plan can be linked to any one of a range of Property, Equity, Fixed Interest and Managed Funds. Moreover you can subsequently switch from Fund to Fund according to your view of investment prospects.

### Guaranteeing yourself a certain return

An alternative Fund is guaranteed to increase in value each and every complete year. This can be chosen in combination with any of the other Funds.

### Knowing exactly what the costs are

The charging structure is highly competitive and easy to understand. So you know just how much you're paying us.

### Adapting your benefits to your needs

You can use the Plan to achieve a phased retirement, drawing a series of different cash and income benefits so as to replace your earnings gradually over a few years.

### Enjoying the Prudential's investment resources

Vanbrugh is a member of the Prudential Group. So you can expect the first-class investment expertise which is the foundation stone of every good pension plan.

### Now think over what we've told you

If a few moments reflection leads you to the conclusion that we've designed the kind of pension plan you need, drop us a line and we'll tell you more. Or ask your financial adviser to get the details for you.

We're sure that you won't be wasting your time.



**Vanbrugh**  
A member of the Prudential Group  
Vanbrugh Pensions Limited, 41/43 Maddox Street,  
London W1R 9LA. Tel: 01-499 4923

## Coins Genealogical excellence

IN THE history of the applied arts there has probably never been a family to equal the Wyons. Since Peter George Wyon came over to England from Cologne in the reign of George II, to work as a silver chaser, engraver and medallist, 17 members of this remarkable family have worked as engravers, sculptors and medallists. The late Allan Gairdner Wyon (1882-1962) was a sixth generation artist in the numismatic field and I should be interested to learn whether any of his descendants are now carrying on this tradition.

Peter George Wyon's son George settled in Birmingham in the era of Boulton and Watt, when Birmingham craftsmen and technicians were running rings round the largely outmoded Royal Mint. George Wyon's talents were largely expended on the design and engraving of dies for the numerous tradesmen's tokens which took the place of a copper coinage at the time. Two of his sons carried on this work in Birmingham but the youngest son, James, moved to Dublin while the eldest son, Thomas, moved to London at the beginning of the 19th century. Thomas became Chief Engraver of Seals and also worked for some time on the coinage of George III.

His eldest son, Thomas II, was something of a child prodigy, winning prizes at the Royal Academy schools and the gold medals of the Royal Society of Arts in 1810 and 1811. In the latter year he was appointed Probationer Engraver at the Royal Mint and produced the

dies for the silver tokens of the Bank of England and Ireland. In 1815, at the age of 23, he was appointed Chief Engraver to the Mint. He died of tuberculosis two years later but his output in that brief period was prodigious, putting to shame the indolent and self-publishing Italian, Benedetto Pistrucci who was imported by the Master of the Mint in the belief that no one in England was capable of designing and engraving dies and that it was axiomatic that such talent existed only on the Continent.

Pistrucci is best remembered today for his superb St. George and Dragon reverse. Used originally for the sovereign and crown, it was not very popular in the 1820s and was dropped in favour of armorial designs. It was not revived till the 1870s and has since graced the reverse of most of the silver crowns as well as the gold coins. Pistrucci had been verbally promised the job of Chief Engraver after Thomas Wyon's death but the Statute of Limitations barred aliens from holding this post. The Master of the Mint got round this problem by leaving the post vacant and paying Pistrucci the handsome salary of £500 a year as a kind of freelance. Much of the actual work of Chief Engraver actually devolved on William Wyon, a cousin of Thomas II, who had moved from Birmingham to London about 1812. He was even more of a child prodigy than his cousin, winning gold medals in the Royal Society of Arts competitions. When Thomas II was appointed Chief Engraver in 1815 William



became Assistant Engraver at the age of 20. When his cousin died two years later he became the natural successor to the post but the temperamental Pistrucci drew the salary and poor William had to get by on a much lower sum and do the actual work of Chief Engraver in conditions far inferior to his predecessors.

A compromise was effected in 1828 when William was appointed Chief Engraver in name as well as in fact and Pistrucci was created Chief Medallist. Wyon got a salary of £350 a year, plus a lump sum of £500 to compensate for the low pay of previous years. Thereafter William Wyon dominated British coin and medal design for almost a quarter of a century. He became an Associate of the Royal Academy in 1831 and an Academician in 1838—the first medallist to attain this coveted honour. Although Pistrucci was ostensibly in charge of medal engravings, some of the finest medals of this period were Wyon's work, notably the Guildhall Medal of 1839 bearing the profile of the youthful Victoria which was subsequently adapted

for the effigy on all British postage stamps from 1840 to 1901. Wyon himself engraved the dies for the embossed stamps of 1847 and his initials W.W. appear at the base of the Queen's profile.

But it is in the coinage of William IV and Queen Victoria that William Wyon's genius as an artist and skill as an artist and skill as a craftsman are best exemplified. The warmly human portrait of the bluff, old sailor-king and the spirited profile of the girl-queen rank among the finest portraits that ever graced British coins. His reverse designs often injected new life into hackneyed themes, such as the seated Britannia of the pennies. He was also responsible for the beautiful "Gothic" coinage of the late 1840s, reflecting the early Victorian fashion for medievalism.

Probably his finest design of all was that engraved for the reverse of a proposed £5 gold piece in 1839, showing the young Queen, as Una, leading the British lion. This may be seen as a delicate allusion to his old rival St. George and the Dragon. The £5 coin never got into general circulation and is regarded only as a pattern. A fine proof example of the Una and Lion £5 is one of the highlights of Glendinning's sale of English and Foreign Coins on Wednesday, February 1. Patterns or trial pieces are, of course, of immense interest to numismatists as examples of what might have been and one often forms the impression that they are more attractive than the issued coins.

JAMES MACKAY



# 

## 

BY STUART MARSHALL

IN the past 18 months the cost of a Rover 3500 has climbed from the original £4,750 to £6,800, thus putting it out of reach of many a middle manager limited by company policy to a £5,000 motor-car.

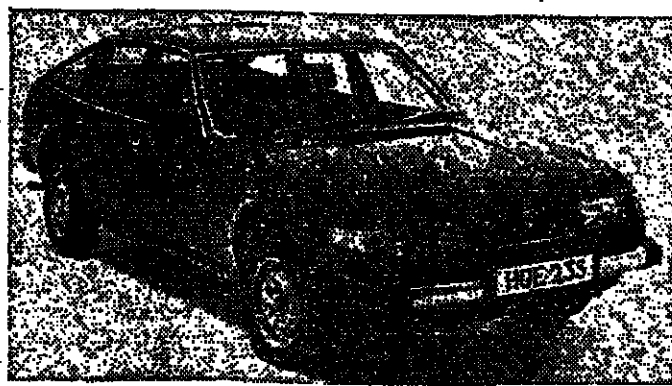
Even the cheapest six-cylinder Rover costs well over £5,000. Still, company car price limits have also risen of late and at least the 2300 and 2600 Rovers pass under the £5,000 barrier.

In this cash bracket the would-be Rover-owning executive has a choice. He can have a 2300 with extra like power steering, automatic transmission or a five-speed gearbox; or a power-steered manual 2600 which has five speeds as standard.

When he would take delivery is another question. My local Rover dealer in Kent (part of a large national group) has not yet seen a 2300. When it was introduced at Motorfair last October, he was told his first batch would come "in the New Year". He still doesn't know when. A 2600 would be easier, with delivery in 6-8 weeks if a buyer was not too fussy about colour or specification. (For a 3500 he is quoting eight months minimum and is now taking as many cancellations as orders.)

It is a scandal and a tragedy that these cars are only coming off the assembly line in penny packets instead of the planned quantities that would have let them cut the ground from beneath their imported rivals' feet.

The £30m. Solihull assembly



plant was built specifically to make the new Rovers. Though one of the best car plants in the world from management and labour's viewpoint alike, it is producing a trickle, not a flood, of cars for which the market is hungry. Yet only this week Leyland shop stewards told their new boss, Michael Edwards, that he ought to be planning to expand car sales aggressively instead of contemplating redundancies. It's a suggestion few people waiting for Rovers would sympathise with.

However, assuming that some of the people who have Rover 2300s on order will actually get them soon, what kind of car will they find themselves driving? If the automatic, power-steering 2300 with tinted windows I have been driving for the past week is anything to go by, the answer is an elegant, well-mannered hatchback with good if not outstanding performance and reasonable fuel economy.

Outwardly, there is nothing to distinguish the 2300 or 2600 from the top of the line 3500 except badging and wheel design. Acceleration is adequate rather than exhilarating, but the transmission is superb and will reach 40 mph in low and 70 mph in middle if the accelerator is floored. Driving with some regard for economy, I obtained 24.5 mpg. Top speed is around 100 mph.

Though the 2300 is considerably lower geared than the V8 engine 3500, it is not mechanically fussy on the motorway though there is more wind noise (apparently from the door mirror, radio aerial and wiper arms) than there should be.

The power assisted steering is light and direct and the Rover handles sensitively. It is an easy car to manoeuvre into confined spaces providing you can see where you are going. Like most wedge-shaped cars, it has rear visibility restricted by the high parcel shelf. At night, raindrops on the sloping hatchback window make it practically opaque. If you want to back up a strange drive in the dark and

be certain of missing the gatepost, it pays to stick your head out of the window.

Although the 2300 lacks the self-levelling suspension of the 3500, it rides well on highways. On bumpy secondary roads a certain lumpiness reminds you that the rear axle is not independently sprung. For ride comfort, especially in the back seats, the Rover is inferior to the Renault 20TS, for example, or a Peugeot 504. It is spacious enough as a five-seater and has massive luggage room but I think the Rover has more appeal as a driver's than a passenger's car.

The driving position is admirable, with good instrumentation, push button switches and warning lights for everything from seat belts undone to choke left out. The heating/ventilation is powerful, keeps the side windows demisted and has the kind of controls you can understand at a glance. The old Rover 2000 was so cramped for the front passenger that a heavily built man of my acquaintance once likened getting in to it to trying to put both feet down the same trouser leg. The 2300 is nothing like that, but it is more restricting than, say, an Audi 100, which doesn't have so big a centre console or under-fascia glovebox.

With its automatic transmission, power steering and tinted glass, the car I drove would cost a total £5,919. The radio, with twin speakers in the doors, is part of the standard package. That sort of money will buy quite a few executive cars like the Ford Granada 2.8, Renault 30TS or Audi 100 GLE, though not necessarily with automatic transmission. But the Rover, by any standards, a desirable and enjoyable car to drive, does have one special advantage. No-one will ever mistake it for anything but a Rover. Now that even Ford people can mistake a Cortina for a Granada, and an Opel Rekord looks uncommonly like a Volvo from the front, that can be quite a plus.

# 

## 

BY BEN WRIGHT

EASILY THE most pleasing aspect of the thrilling finish to the rain delayed Phoenix Open at sudden Phoenix Country Club last Monday, was that Arnold Palmer so nearly won it. In fact victory was in the palm of his hand but eventually it was his chipping rather than his perennially suspect putting that prevented him from recording his first victory on native soil since early 1973.

But the manner of Palmer's challenge gave an estimated following of 5,000 faithful foot soldiers so much more than just the fleeting glimpse of the charismatic general of old. The breath taking charge was there, in the shape of five consecutive birdies from the second hole onwards, which propelled Palmer into a share of the lead with Jerry Tate the defending champion. The agony of frustration which is no less dramatic to the onlooker, eventually halted the charge.

The army, who needed webbed feet on this occasion watched aghast as the general's five birdie putts in the next six holes either slipped or rolled out of the cup. Those putts varied in length from

18 feet to a mere four at the 12th. In between Palmer hit one of his very few poor drives at the 11th, came up short of the green, and the first of three weak chips cost him his first strike to par. I almost forgot to mention that the great man had missed another four foot birdie putt at the first hole.

Even then Palmer still had a chance to set an unassailable early target. But at the easy 365-yard 18th hole he used his 1 iron from the tee to the angle of the dog leg, just missed the green to the right with his 7 iron, and chipped only just over halfway from 20 feet, thus dropping another shot. A glorious 6 iron shot at the 420-yard 17th hole set up his birdie from 4 feet. Naturally enough Palmer gave his drive and second shot his all, coming up only just short of the green over the paddy fields at the 524-yard 18th. But again the chip was pathetically short, and the last chance had gone.

Ironically Palmer and I had chatted on television the afternoon previously, after the rainstorms had put play out of the question. The 48-year-old reported that he had committed to his heaviest playing schedule

for a decade only because his improved putting had influenced of victory.

He chose to lay up with his second shot, away from the pond that stretches for 110 yards down the right of the 18th to know it is the touch shots that wards, and to the right of the green. But after his partner Jim Simons had taken his customary age to play to the green the visibly infuriated Trevino hurried his wedge shot and just missed the putting surface to the right. His customarily won-blessed as is Palmer with a God-like strength and physique. Barber's swing, with its high arcing right elbow, is possibly the weirdest on tour, although he is quite right when he reminds me, sternly and frequently, that his position in the vital yard going through the ball is as constant as it is orthodox. Miller got round in a remarkable 85 shots on muddy Monday, holing a monstrous 50 foot putt on the 18th green for a birdie when concentrating only on getting the ball close enough to avoid taking three break carried the ball fractionally to the right of the hole and victory went to the veteran—even if most people present wrongly thought it was to the wrong one.

The season here has started interestingly, the new super star of the decade Tom Watson having won in Tucson, but th form of Trevino, fourth there has been a revelation that suggests he is in for a momentous season. Pate, too, looked better than ever, but that was just what I wrote in these columns after his Phoenix victory last year. I firmly believe that the bright young men flocking on to this tour, Pate's is the best method of all, not to speak of his temperament. His swing has firmed up considerably since his amateur days, and I am tempted to say that it is equal in power of the legendary Sam Snead combined with the fluid elegance of Gene Littler.

While on the subject of classical swings, Ben Hogan was recently lured out of his self-imposed solitary retirement to make a television commercial for Legend shafts and the equipment and golf balls that bear his name. Hogan is shown in slow motion hitting both iron and wooden club shots of such staggering perfection and majesty that a locker-room full of this country's leading players frequently fell silent over the week-end to gaze in awe at the commercial in question.

Cricket: Report on the Karachi Test Page 8

This immensely confident and brilliant 23-year-old also laid up, and then played a superb soft wedge shot, ten feet from the hole. Pate is so good under this kind of pressure I expected him to hole the putt almost as a formality. But the fierce break carried the ball fractionally to the right of the hole and victory went to the veteran—even if most people present wrongly thought it was to the wrong one.

# 

## 

FOR THE first time Buster Mottram, 22, has been placed No. 1 in the British rankings which were announced this week by the Lawn Tennis Association. Two years ago Mottram was ranked joint No. 1 with 34-year-old Mark Cox, the Leicestershire left-hander who drops two places to No. 3 after a disappointing year that nevertheless left him in 36th position in the Association of Tennis Professionals computer ranking list and 24th in the Grand Prix competition from 15 tournaments—all of which earned him \$70,441 in 1977.

The 23-year-old Essex Davis Cup man John Lloyd moves up from three to two and there were many who thought he would achieve the top position after the spectacular finish to the 1977 season which earned him \$58,676 and took him to three Grand Prix finals in Basle and Wembley where the world No. 1 Bjorn Borg twice beat him and in the Australian Open where he lost in five sets to the

world No. 5 Vitas Gerulaitis. During these weeks Lloyd had two wins against Cox and beat Brian Gottfried and Raul Ramirez who are both in the world's top ten and also the results were marginally better

- | MALE                       | FEMALE                  |
|----------------------------|-------------------------|
| 1 Buster Mottram (2)       | Virginia Wade (1)       |
| 2 John Lloyd (3)           | Sue Barker (2)          |
| 3 Mark Cox (1)             | Michelle Tyler (4)      |
| 4 Richard Lewis (9)        | Glynis Coles (3)        |
| 5 John Feaver (5)          | Sue Mappin (8)          |
| 6 Robin Drysdale (7)       | Lindsay Beaven (6)      |
| 7 Roger Taylor (4)         | Linda Mottram (7)       |
| 8 David Lloyd (6)          | Jackie Fayer (5)        |
| 9 Michael Wayman (12)      | Lesley Charles (9)      |
| 10 Jonathan Smith (11)     | Anne Hobbs (14)         |
| 11 Robyn Bevan (17)        | Corinne Molesworth (10) |
| 12 Andrew Jarrett (13)     | Jo Durie (13)           |
| 13 Tony Lloyd (16)         | Belinda Thompson (11)   |
| 14 Michael Appleton (—)    | Cathy Drury (—)         |
| 15 Christopher Bradman (—) | Debbie Jevans (—)       |
| 16 Christopher Kaskow (—)  | Kate Glancy (—)         |
| 17 Neil Rayner (—)         | Annette Coe (15)        |
| 18 Martin Robinson (10)    | Linda Geaves (—)        |
| 19 Jeremy Dier (—)         | Clare Harrison (20)     |
| 20 Nigel Sears (20)        | Kate Brasher (—)        |
| 21 Robert Booth (—)        | Anthea Cooper (18)      |
|                            | Fiona Morgan (—)        |
|                            | Debbie Moffitt (—)      |

(Last year's placings in brackets)

## 

## 

DAIMLER VANDEN PLAS

Feb. 1977 42 Saloon

(£11,000)

Beautiful colour (Coral with black roof), full service, serviced by Hestys of Chester. Only 13,000 miles, all the refinements of air conditioning, electric windows, door locks, aerial, stereo, radio, speakers in every door, 6 years' rust-proof warranty. Saving over £2,000 on today's price. Excellent reason for selling.

Phone telephone: CHIRK 3472

## 

C.C.—These theatres accept certain credit cards by telephone or at the box office

## 

## 

COLESHILL, COVENTRY, 01-240 5258. Reservations 01-240 5161. ENGLISH THEATRE. Tonight and Thurs. 7.30 ORPHANS IN THE UNDERWORLD. Tues. 5.50 and Fri. 7.30. Wednes. 7.30. Carmen. 2.40. Belshazzar seats available day or night.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

COVENT GARDEN, CC. 240 1053. Gardeners' Opera. 8.30. 6063. The Nightingale. Tues. and Fri. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm. The Tale of the Two Cities. Wed. 7.30pm.

# 

Legal & General Unit Assurance have a new Executive Investment Retirement Plan for senior executives and directors which can help fight the effects of inflation and taxation immediately.

The Plan will give you a tax-free cash sum of up to 1½ times your final salary when you retire plus an annual income taxed as earned income.

The company can pay all the costs. All contributions can be made by the company and rate for full corporation tax relief.

A man, 45, earning £12,000 p.a. today could receive a tax free lump sum of £18,000 and an income of £6,000 p.a. when he retires at 65. If his earnings increase, the company can adjust the contributions in order to increase the benefits.

Of course, the larger the contribution, the greater the benefits. And the size of the contributions can vary year by year.

Legal & General Unit Assurance has been set up solely to fight the effects of inflation and taxation. It's backed by all the expertise and experience of the £2,400 million Legal & General Group, one of Britain's largest insurance companies.

But rather than send us any money, we'd prefer if you speak to your insurance broker first.

If you're interested, send the coupon today.

Don't delay, because there is something you and your company can do to fight inflation and taxation.

# 

I'm interested in the Legal & General Unit Assurance Executive Investment Retirement Plan. Please send me more information without any obligation.

Name \_\_\_\_\_

(BLOCK CAPITALS PLEASE)

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



## Travel

Choose  
and  
cruise

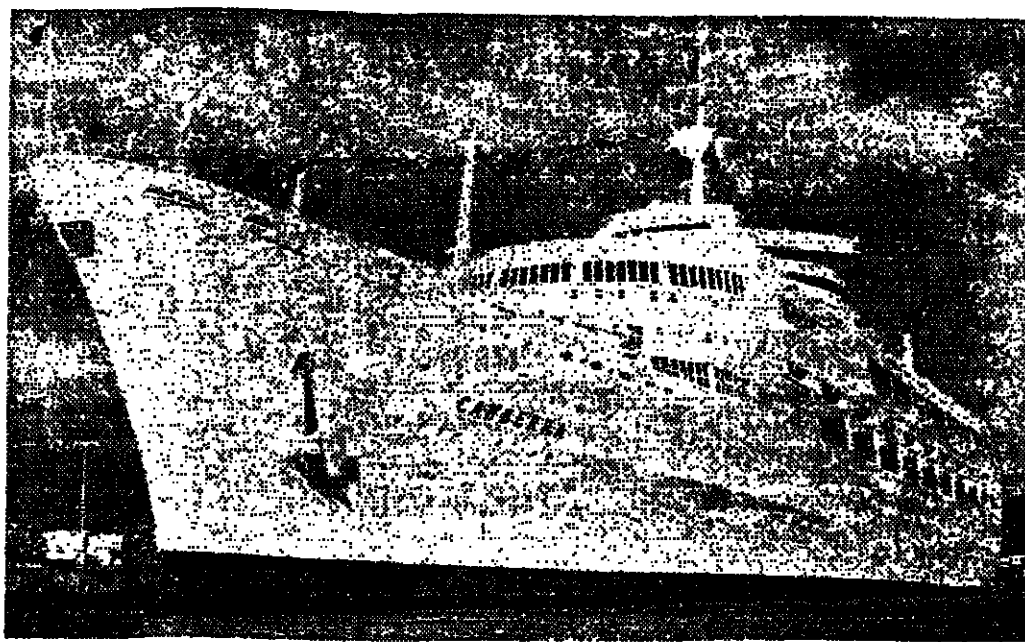
BY PAUL MARTIN

THE CRUISE market has remained relatively buoyant in recent years and, with a feeling that we are now steering a slimmer economic course, the options are all there for you to choose. There have, of course, always been the regulars who are never happier than when in boardship. They have done it so often that they know the characteristics of each ship and, after surviving that first reath-taking glimpse of the Bay of Naples, they now no longer even bother to go ashore.

The choice of a first cruise may provide an introduction to a way of life that will set your holiday pattern for years to come. However, when you consider the almost endless permutations—the straightforward sea voyage from a U.K. port, cruise-and-stay arrangements and fly-cruises, picking up the ship in the Mediterranean or the Caribbean—it really is worth deciding in advance whether you want to spend the majority of your time at sea or, as in the Aegean, hop from one entrancing island to another overnight in the virtual certainty that your days will be filled with sunshine and interest.

I have mixed feelings on the subject of the conventional and the fly-cruise. A self-confessed poor sailor would be well advised to give the Bay of Biscay a miss and opt for a fly-cruise. Even so, I still feel that the three days spent in reaching warmer weather are part of what it is all about and provide the true flavour of cruising.

A mini-cruise is a relatively inexpensive way of finding out whether this is your way of life and Fred Olsen/Bergen Line, with one of the few true mini-cruises still operating, has recently announced a new low fare of £49.50 for the remainder of this month and early February for mini-cruises from Newcastle to ports in western and southern Norway. Departures are on Mondays and Thursdays. Meals, including the sumptuous Norwegian cold table, are included and the three or four day trip offers a quick way of trying out your sea legs.



P &amp; O liner Canberra



Fred Olsen continues to operate Blenheim on the regular run from Milwall down to Madeira and the Canaries until May 11 and, trying out a fly-cruise arrangement, I flew out to Madeira with TAP and spent a couple of days there before returning home by sea, incidentally through a miraculously calm Bay of Biscay. The food was superb and I thoroughly enjoyed three days of cruising at its best. The minimum fare is £270 and, with a high level of repeat bookings, discounts are available to members of their Winter Cruise Club.

If cruise fares seem high, they always include a good many items that you would normally pay as extras on a holiday ashore. Forget all about diets as you will be tempted with food for at least sixteen hours a day. Early morning tea, elevenses, coffee after lunch and dinner, afternoon tea and a late night snack assure the well-being of the inner person.

P&O are a great English tradition and, operating an open-class system, fares are graded according to the location of your cabin. Every cruise enjoys the complete run of the ship. Incidentally P&O list no less than 36 items that would elsewhere involve dipping your hand in your pocket.

All the old cruising magic comes back when, in the early evening, Canberra or Oriana pulls away from the quayside and cruises majestically down Southampton Water. There are reductions on some early season departures and a 14-day cruise, taking in Corfu, Dubrovnik, Naples, Tarragona and Gibraltar and leaving on April 16, starts at £325.

Their sister company, running the long-established BI Discovery Cruises, enables you to get the very most out of your holiday with a detailed introduction by a specialist to each port of call. Although these are educational cruises, no one will

pressure you to attend the lectures and many excursions that are included. Flying out to Naples and picking up Uganda there, a 13-day cruise on March 1 includes Syracuse, Alexandria, Haifa and Heraklion as ports of call before you return from Venice to Gatwick. Prices are from £371 per person.

Norwegian America Line's luxury liner Vistafjord, which does some relatively long cruises in the Caribbean, claims justifiably that these are "exclusively de luxe." With departures on February 17 and March 17, a 31-day cruise, flying out to Miami and embarking at Port Everglades, takes you through the Caribbean and on to Venezuela at a lowest price of £1,460.

Nearer home and later in the season, Vistafjord includes the Polar Circle, Iceland and Spitzbergen on departures from Newcastle and Tisbury in July and August. The lowest fare is £635.

Q&Z has two cruises from her home port of Southampton, heading north on May 6 to Scandinavia and Holland and visiting the Canary Islands and Madeira on October 2. Prices for both cruises start at £345.

Among the least expensive cruises, marketed by CTC, are those on Russian ships which, in addition to fly-cruise arrangements to the Black Sea, include a week's voyage on May 28 from Southampton to La Rochelle, Santander and Jersey on the Leonid Sobinov. The lowest price, in a four-berth cabin with shower and toilet, is £120.

The choice is almost limitless and, in addition to those I have mentioned, I have given the addresses of some other cruise companies which will gladly provide full information on request.

## ADDRESSES:

Costa Line Cruises Ltd, 16, Maddox Street, London W1R 9PL  
CTC Lines, 1-3, Lower Regent Street, London SW1Y 4NN  
Cunard Line, 8, Berkeley Street, London W1X 6NR

Fred Olsen/Bergen Line (North Sea and Canary Islands) 299, Regent Street, London W1R 8AP  
Keth Frowse Travel Ltd, 74, Old Brompton Road, London SW7 3LH

Norwegian America Line, 11, Quadrant Arcade, Regent Street, London W1R 6EJ  
Paquet Cruises, c/o UTA Ltd, 177, Piccadilly, London W1V 0LX

P & O/B Discovery Cruises, Beaufort House, St. Botolph Street, London EC3A 7DX

Royal Viking Line, Kayser House, 2-4, St. Mary Axe, London EC3A 8BP  
TAP, Gillingham House, Gillingham Street, London SW1V 1LW

Year Week-end £: Austria 24.00, Belgium 42.00, France 45.00, Italy 1.60, Greece 24.00, Spain 12.25, Switzerland 2.55, U.S. 1.95. Source: Thomas Cook.

## Fashion

## The sign of the two zebras

THE INVASION of Britain by continental menswear designers continues unabated and, for one, welcome the competition. They tend to design complete looks which take the bother out of hustling about frantically matching this up with that, or, more likely, nothing up with nothing. The ineffable relief of being able to rely on the taste of one shop is a joy and a boon for the man unsure of his own taste, harried by the taste of his wife, envious of the taste of his friends, and who wishes to be reassured that he is buying a fashionable, co-ordinated look in these days when total effect is more important than the sum of the constituent parts.

These thoughts are prompted by the recent arrival of a new shop in Covent Garden—called Les Deux Zebras at 38 Tavistock Street. It is run by two French menswear designers, Marc Boyer and Pierre Coppini who not only set the style for their shop but also design wholesale menswear ranges for their shop and for sale elsewhere. From the stock presently on sale at Les Deux Zebras, I've put together two looks as illustrated—both involving cord trousers, a shirt and a sleeveless body warmer but each very different in texture and sophistication. Winter woollies will be in stock until their forthcoming winter sale which will clear out clothes to make way for the introduction of the spring ranges from reliable names such as Mic-Mac, Ventiler, Faconnable, Equipment, and some North American ranges.

The shop, like so many of the better menswear suppliers, could be called a "male boutique" if the term had not become suspiciously pejorative in implication. But a better equivalent would be to call it a male "Modern" shop—a place where, if the stock suits your taste, you can return time and time again and be sure that there will be something suitable to buy and to wear chosen by buyers whose ideas coincide with your own.

Les Deux Zebras is assured of



Drawings by Cella Baker

a welcome from me at least, but the British reception of foreign fads and fashions has not always been ecstatic. To Shakespeare, it was degrading that Elizabethan youth should listen to: Report of fashion in proud Italy

Whose manners still our tardy opish nation Limps after in base imitation. And Portia derides the English lord: "who bought his doublet in Italy his round hose in France, his bonnet in Ger-

many and his behaviour everywhere." Even Richard III snarled: "I cannot duck with camouflaged animals, but that the phrase is applied to people in fashion at least, is not so obvious in the case of latter-day, Elizabethans: in any menswear shop to-day it is more likely than in the past to find a certain flair, dash, panache, and style in behaviour and appearance. In the fashion jungle, the zebra sets his own style.

IAN FINLAYSON

Dry and  
warm

WINTER SEEMS to have struck pretty hard worldwide this year. From the fog and chill of Europe to the torrential rain in California nature is drumming home the message that sometimes looking trendy comes a poor second to keeping warm and dry.

A couple of nights ago I had my own winter woollies really put to the test. At two in the morning my hotel in Philadelphia caught fire. I was on the sixth floor, the fire on the fifth. But it was no towering inferno. After a lot of smoke and a lot of noise it was all over. However, I and several hundred others were rushed out of the building into a Pennsylvania snowstorm and a temperature of 14 degrees F. It was an hour before I all nervously got back to bed. In future I will read fire instructions more carefully.

As far as I know, no one has designed a range of suits to escape from fires in, but this winter has seen an abundance of well-designed, comfortable clothing, suitable for looking good under chilling circumstances.

Tweeds, cords and heavy

knits are in vogue, and all of them loose-fitting, easy-going items that are a pleasure to wear. The return of tweed to urban social respectability means that we can stop pretending that lightweight suits are all you need in this centrally-heated world of ours.

Two groups with wide coverage throughout Britain have some interesting offerings should you feel the need to rush out and get some warmer clothing. Hornes has a range of cord jackets and trousers which can be bought as suits or separately. If you are seeking the chunky look this is it, complete with button-down pockets (leather football buttons) and heavy-weight material. They come in a greyish-blue, grey or brown. The jackets cost £37.50 and the trousers £16.00.

Peter Brown is a chain that is rapidly gaining a name for thoughtful, medium-priced clothes which are fashionable without being outrageous. Illustrated is a Harris tweed sports jacket in grey which is superbly comfortable and good-looking. When I tried it on, my wife made that classic double-edged comment: "It's very slimming." It costs £59.99.

The Horne cord may be just a bit too relaxed for City work, but this certainly is not the case with the other Peter Brown outfit illustrated. Again in Harris tweed, this three-piece suit costs £105 from the group's main branches and is available in sizes 36-44 inches chest. The jacket is in sizes 36-40 inches.

ARTHUR SANDLES



Drawings by Jan Wheeler

## TRAVEL

## ST. ANDREWS

Modernised cottages in secluded private estate, 14 miles beach and golf courses. Panoramic views over St. Andrews' Bay. Furnished to high standard and fully equipped including all linen. Vacancies all dates including open golf.

Write for brochure to: Graigton Meadows, 9 Mount Melville, St. Andrews, Fife.

## Discover the Magic of Sardinia

HOTELS, VILLAS, CAMPING & CARAVAN HOLIDAYS

from £85 including direct flights from Gatwick. Free brochure from:

## Magic of Sardinia

(Dept. FT), 190, Chiswick High Road, London, W4, Tel: 01-994 7823/4.

Only the breathtaking countryside will tempt you outside.

See it in the luxury of The Marine Hotel, Sardinia, with its own beach, swimming pool, tennis, and a superb restaurant. The Marine Hotel is a true gem of Sardinia, offering a perfect holiday in a beautiful setting.

Apply: The Factor, Shannacott, Moniaive, Dumfries, Scotland.

## The Marine

JERSEY: Spend a few days this winter enjoying life at a top class hotel at a price including air travel and transfers. Write for leaflet to: The Marine Hotel, Jersey, Tel: 01-234 1234.

Travel (Dept. FT), 123 Fulham Palace Road, W6 8JA.

## EDUCATIONAL

## MONTE ROSA INTERNATIONAL SCHOOL

LYGÉE d'ARVEL

CH-1820 Montreux, Switzerland (Founded 1874)

Co-Educational International Boarding and Day School

Elementary, Junior and High School.

University Prep. Oxford G.C.E., O and A levels

College Boards AP/CLEP/ACT

EFL (Cambridge/TOEFL)

French, German, Spanish

Summer Holiday language courses June-August

For brochures write to the Headmaster, Monte Rosa Intl. School CH-1820 Montreux

## WANT TO SPEAK FRENCH?

You can, through a unique 4-week programme on the RIVIERA COMPLETE ALL-DAY IMMERSION ONLY IN FRENCH: daily 8.30-17.00 with 2 meals, in small groups. Audio-visual classes, Language Lab, Practice sessions, Discussion Lunch, Excursions. Lodging in private apartment, hotel or family included. For beginners, intermediate and advanced. All ages.

Next available course starts January 20th, February 27th, 1975, and all year.

INSTITUT DE FRANCAIS FTA-31

23 Ave. Gen. Leclerc, 06-Villefranche-sur-Mer. Tel: (93) 80.36.51

## ART GALLERIES

OMEL GALLERIES, 40, Abchurch Lane, London EC4N 3DF. Tel: 01-475 2222.

SEANE STREET GALLERIES, 159, Seane Street, W4. Modern paintings, sculpture and graphics by interesting international artists. Wide range of prices. Tel: 01-994 1000-5. 30. 5.30. 10.00-1.00.

EXHIBITION OF FINE PAINTINGS by British and Foreign Artists from 1700-1965. E.C. Core Street, London, W.1. Tel: 01-744 2222. Weekdays 10.00-6.00.

## CLUBS

AVL 189, Regent Street, 724 5775. A la Carte or All-inclusive. Three Spectacular Floors. 10.45-1.45 and 7.45-11.00. Hosts of Johnny Hallyday and Friends.

## SPAIN

Madrid, Granada, Seville and Santiago de Compostela are among the Spanish cities listed in our new booklet.

There are also suggestions for two and three centre holidays: a coach tour through Andalusia, and details of some of the best seaside hotels—the beautiful Hotel de la Gaviota at S'Agar, and the Gran Hotel at La Toja to mention only two.

Travel to Spain is by scheduled flight and our arrangements can be amended to fit your exact requirements. May we send you details?

HAYES & JARVIS (TRAVEL) LTD.

6, Harriet Street, Balgravin, London, S.W.11.

Tel: 01-235 4060 or 4475

## SMALL WORLD'S HOLIDAY GLOSSARY:

Meister: A strong wind which blows down the Aegean during July and August and has a nasty habit of turning the Cyclades into the East-Indies.

That is why Small World's Aegean Cruising this year is based on RHODES, whence our motor cruiser Small World I sets off for informal cruising amongst the islands of the Dodecanese (Rhodes, Kos, Naxos, etc.) and along the coast of Southern Turkey (Bodrum, Chios etc. some weeks, Marmaris, Kus Adasi etc. other weeks). Two weeks from £339 including full board, unlimited wine and return flights.

CORFU whence two 4/5-berth yachts, with or without skipper, set off for voyages in the Ionian Sea—the islands of Corfu, Lefkada, Ithaca and Cephalonia and the coast of Epirus—every fortnight. Two weeks from £170 including flights to and from the airport and one shared taxi. Ideal for yachtsmen and would-be yachtsmen. Low of other ideas in our brochure.

SMALL WORLD TRAVEL WORKSHOP, 1 GARRICK STREET, LONDON W1C 2AZ. Tel: 01-240 3233 (cruises) or 01-835 7835 (yachting).

## FOREIGN HOTELS

SWITZERLAND, Arosa. Hotel Victoria. 1st class. Indoor swimming pool. Offers the perfect holiday resort until the end of October. Tel: 01-240 3233.

PONTRESINA (Ticino)—The well-known holiday resort of the Engadine. Sunny situation with excellent snow conditions. Healthy mountain climate. Tourist Office. CH 7504 Pontresina.

## CLASSIFIED ADVERTISEMENTS

Commercial & Industrial

Property Residential Property

Appointments

Business & Investment

Opportunities, Corporation

Loans, Production

Capacity, Business

For Sale, Wanted

Education, Motors

Personal & Tenders

Holiday, Christmas

Hooks and Travel

Book Publishers

Premium positions available. (Minimum size 40 columns cm.)

For further details write to: Classified Advertisements

Manager

Financial Times

10, Cannon Street, EC4A 3DF.

## Gardening

## How to profit from burning

"PLEASE TELL ME" writes a reader "what I can do with wood ashes, of which I have a considerable quantity. Can I use them safely in the garden and, if so, how and where?"

The short answer is that wood ashes are a valuable source of potash, one of the three essential plant foods most likely to be in short supply in the soil.

For many generations it was the only fairly concentrated source of potash for garden use until, just about the time Queen Victoria came to the throne, natural deposits of potassium salts were discovered in Germany. So kainit came into being with its more or less steady 12-14 per cent potash (K<sub>2</sub>O) content followed later by purified salts such as sulphate of potash and muriate of potash with around 50 per cent potash and these, with their ready availability and known potash content, pushed wood ashes into the background.

For wood ashes are largely unpredictable and there is hardly ever enough to go round. How much potash any given sample contains depends a great deal on the material from which it was made and the way the ash has been stored. Contrary to popular belief, it is not the hard wood that produces the best wood ash. Soft herbaceous refuse, when burned, gives a much richer ash and it

is said that young bracken can yield as much as 50 per cent potash, rivaling the most expensive potash salts in fertiliser value. But that is when it is fresh. If it is left lying outside for long a great deal of the potash will be washed out and the value of the ash will decline steeply.

The potash content of some wood ash, that obtained from burning sawdust, for example, can fall as low as 5 per cent, with 7 to 8 per cent as a fair average for the fresh ash. But if young prunings are burnt the potash content can climb quite steeply.

So one drawback of wood ash is that there is no easy way of telling exactly how much potash it contains. Another is that the potash is present as potassium carbonate, an alkaline salt which will increase the alkalinity (or conversely, reduce the acidity) of the soil. This could be bad for lime-hating plants such as rhododendrons, azaleas, and some heathers, all of which thrive in moderately acid soils and become severely chlorotic, with yellowing leaves and failing growth, in soils that are neutral or alkaline. I have known gardens, particularly those attached to large, well timbered estates where there was a great deal of wood burning, that have become so alkaline due to the use of large quantities of wood ashes over

a number of years that it became almost impossible to grow anything in them.

The lessons to be learned from these facts are, first, that wood ashes should either be used immediately or that they should be stored in a dry place. It is also apparent that they are safer to use in quantity on soils that are acid than on soils that are alkaline, though I would not stress this point too much since most gardeners on alkaline soils have usually come to terms with them, have accepted that there are some plants which they cannot grow without special precautions, and have settled for those (and there are plenty of them) that prefer alkaline soils. Still there are limits to all things and even for the lime lovers one does not want to push alkalinity much above pH7.5. Cheap and easily used soil testing kits are available which will reveal in a few minutes the approximate pH of the soil, so when in doubt it is wise to make an occasional check.

Unlike animals, plants get a great deal of their food from the air. What they require from the soil are large quantities of water and very small quantities of a dozen or more inorganic chemicals. Most of these are usually present in sufficient quantity. The three most likely to become deficient in heavily cropped soils are nitrogen,

phosphorous and potash and these are the chemicals supplied, in varying quantities, in most compound fertilisers. The price of all these chemicals has rocketed during the past few years and potassium salts have always been among the most expensive ingredients, so wood ashes should certainly not be wasted.

Nitrogen, phosphorous and potash interact in the plant in complicated ways, as do the other food elements required, and acute shortage of any one can produce spectacular results often similar to those caused by some diseases. But, broadly speaking, nitrogen shows its greatest influence in increased luxuriance of growth combined with deeper leaf colour, phosphorous increases root development, particularly noticeable in the early stages of growth, and potash has its greatest effect in promoting fruitfulness and ripening. It follows that wood ashes are particularly valuable for fruits of all kinds, not only the top fruits such as apples, pears and plums, but also bush fruits such as gooseberries and currants, the cane fruits such as raspberries, blackberries and loganberries, also strawberries, but also for crops such as tomatoes, cucumbers, marrows, aubergines, capsciums, peas and beans, all of which are grown for their fruits though one does not always think of them as

such. Some plants signal very quickly and clearly when they are short of a particular food. Gooseberries do this for potash by producing scorched leaf margins which are quite unmistakable. A top dressing of wood ashes will put this right in about a year but one must not be too impatient since it takes time to rectify a food deficiency that has built up over a long period.

This brings one to the crucial question, how much to use? Since the actual potash content of the wood ashes can vary by a factor of ten, that is a hard question to answer yet some answer must be given. I think the best compromise is to assume a potash content of 10 per cent, approximately one-fifth that of sulphate of potash, and so to apply five times as much as would be used if that popular fertiliser. If that seems like dodging the question let me clarify it by saying that an average dressing of sulphate of potash is 1 oz per square yard (30 grammes per square metre) so the equivalent wood ash dressing would be 5 oz per square yard (150 grammes per square metre). If the soil is one that is teetering on the borderline of over alkalinity it would be wise to follow up the application, two or three months later, with a check on pH.

ARTHUR HELLER



# How to spend it

by Lucia van der Post

## Piece prizes

THIS year for the first time the International Furniture Show was held at the National Exhibition Centre in Birmingham and a very fine setting for the furniture it turned out to be. The Furniture Show, as some readers may know, is the major exhibition at which trade and public may see the vast range of (mainly) middle-of-the-road furniture that will later be in shops up and down the country. Everywhere else you see the retailer's edited version of manufacturers' products—at the exhibition you could have seen the full range of the exhibiting manufacturers' designs.

I was once again asked to help judge the Showpiece of the Year awards and a wonderfully interesting exercise it always turns out to be. One can never fully explain why it is that one year most manufacturers seem to have gone a little mad and produced another year on cabinet furniture and yet another year, like this one, on seating units.

There were more entries for the annual awards than ever before with about 50 per cent more manufacturers competing than in any previous year. I felt that all the prize winners were very worthy winners, each of them had something special to recommend it—whether it was practicality, workmanship, value for money or design—but I regretted the lack of any designs quite as distinctive as, for instance, McIntosh's Cranston Collection from last year.

In all, the new venue at Birmingham seems to be accounted a big success and it certainly is a splendid site, made very easy to visit by the ease of the rail journey and the fact that the platform of the station leads directly into the exhibition halls.

From the manufacturers' point of view it was a success, too. McIntosh, for instance, did in one day the sort of business that they did at the whole of last year's show, while William Tullman (who, for the third year running, has won an award for one of his impeccably-made reproductions

pieces) also did more business in the first day and a half than he did in the whole of last year's show.

Though all the award winners may not be stunningly original or exciting most of them are easy to live with, reasonably priced and eminently practical. Certainly British furniture, in particular our reproduction furniture and upholstery, is much appreciated abroad and this is reflected in the spectacular growth of exports in the industry.

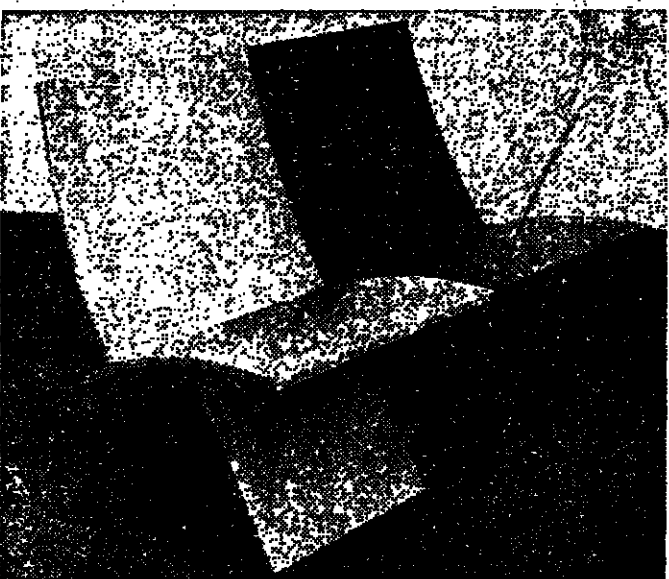
The rate of increase of exports is running way ahead of inflation in that for the past eight years it has been about 35 per cent per year. Last year there was a fantastic 50 per cent increase.

When the British Furniture Manufacturers got together some nine years ago to promote exports jointly the exports for a whole year were running at the sort of figure that is now achieved in one month.

Fortunately for the country as a whole the gap between imports and exports is widening considerably as well so that in the first 11 months of last year there was a £60m surplus of exports over imports.

It's no secret, however, that home sales have been somewhat disappointing over the past few years and it is only very recently that manufacturers and retailers have been able to feel that at last the domestic market is picking up. Home sales were the great success of the exhibition and it seems that very good winter sales have meant that many retailers needed to restock their showrooms.

For those who were unable to get along to the show and want to know what sort of things are in store for the coming year, I've selected some of the award winners to feature, as well as one outstanding new design (the Scales ladder) which for some inexplicable reason, didn't enter for the award but was nevertheless exhibited at the show.



THE JUDGES were all unanimous in liking this chair from the Danish firm of Falster Form—even those who had previously shown a greater inclination towards the strictly traditional were impressed by the simplicity of the idea, the fine finish of the wood and the practicality of the design. Our verdict was further endorsed by the trade who went on to order some 12,000 chairs in the first 36 hours after the exhibition opened.

The chair is obviously designed for occasional use (not for slumping nightly in front of the television set) and it is made from two pieces of curved wood which lock together very simply and very firmly with no screws

or glue. To dismantle the chair for easy storage you simply separate the two pieces of wood, which then take up so little space they can be stored behind a door or in a cupboard.

I liked the chair best in the stained rosewood finish (this seemed to give it a great distinction), but there is a natural beech finish as well. In all it measures 54 cm in width, 74 cm in depth and is 79 cm high.

Though it is upholstered it is surprisingly comfortable because the wood supports the back in just the right way. The suggested retail price is £35 and for local stockists you should write to: Michael Carr-Jones, Allard House, Verney Road, London S.E.16.



EVERY eighteenth-century gentleman had his library and that he then needed, of course, was a set of library steps to help him reach the upper-most shelves. Eighteenth-century cabi-

net-makers were very ingenious at providing answers to the problem—most people have seen the semi-circular steps attached to a central pole which comprise the usual library steps but even neater were the steps that were contained within what looked like a slim pole which opened out to reveal a ladder structure of great strength and flexibility.

A modern ingenious design is shown photographed on the left. Made from moulded ABS plastic and duraluminium, when not in use this ladder folds away flat like a book. It rejoices in the name of Scales, weighs just over 13lb and the steps may be in either red or white while the frame is of duraluminium. We show the steps ready for use but when you want to fold it away the supporting struts fit into grooves behind the steps and then the entire ladder can be folded in half vertically to occupy a space of 20 cm in width, 152 cm in height and 8 cm in depth.

The ladder is currently on show at the Museum of Modern Art in New York and it is being imported from the Italian firm of Velca by Victor R. Mann, Unit 3, Mitcham Industrial Estate, 85 Streatham Road, Mitcham, Surrey.

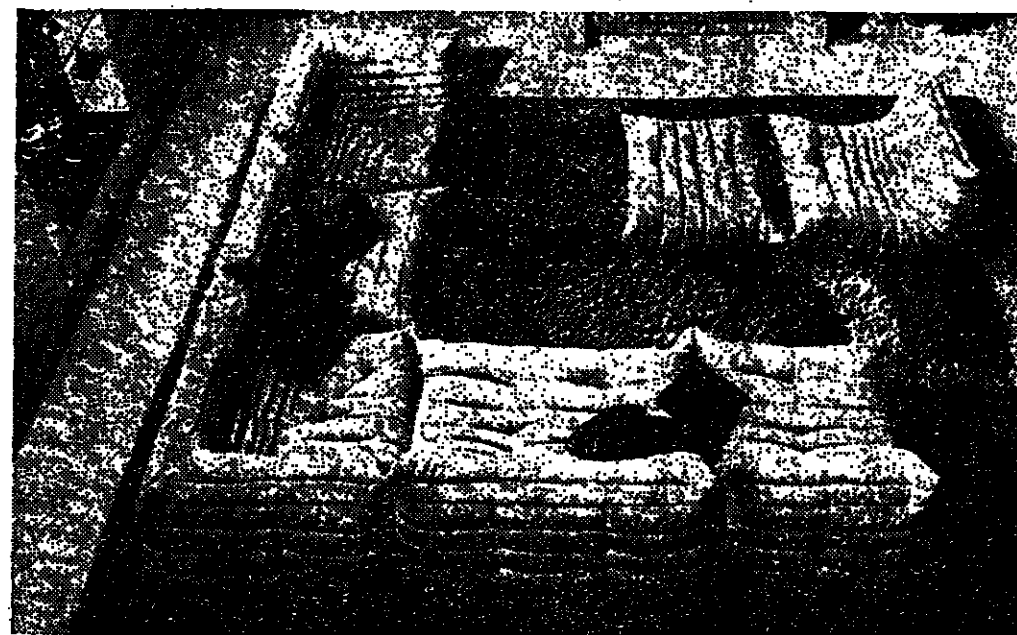
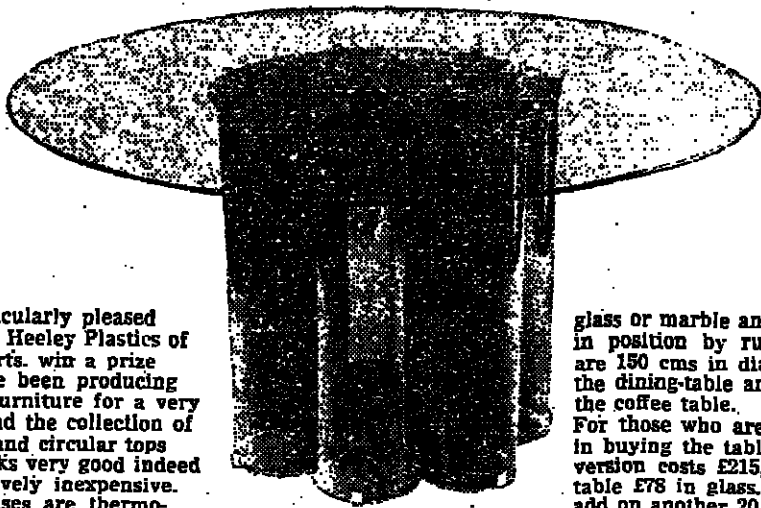
The ladder sells for about £56 in scale at Form Interiors, 149 Upper Richmond Road, London SW15. For other stockists write to Victor R. Mann at the above address.

I WAS particularly pleased to see Banks Heeley Plastics of Royston, Herts, win a prize as they have been producing interesting furniture for a very long time and the collection of table bases and circular tops not only looks very good indeed but is relatively inexpensive. The table-bases are thermo-moulded from sheets of Perspex acrylic which may either be opal or a transparent smokey brown. The same principle is used to produce both the dining-table and the coffee

table—only the measurements vary, from 75 cms high for the dining-table down to 40 cms high for the coffee version. The table-tops, which may be in

glass or marble and are held in position by rubber pads, are 150 cms in diameter for the dining-table and 100 cms for the coffee table.

For those who are interested in buying the table the dining version costs £215, the coffee table £78 in glass. For marble add on another 20 per cent. Heely's of 106, Tottenham Court Road, London, W.1 will have it in mid-February but write to Banks Heeley for local outlets, at 33-35, Brook Road, Basingstoke, Royston, Herts.

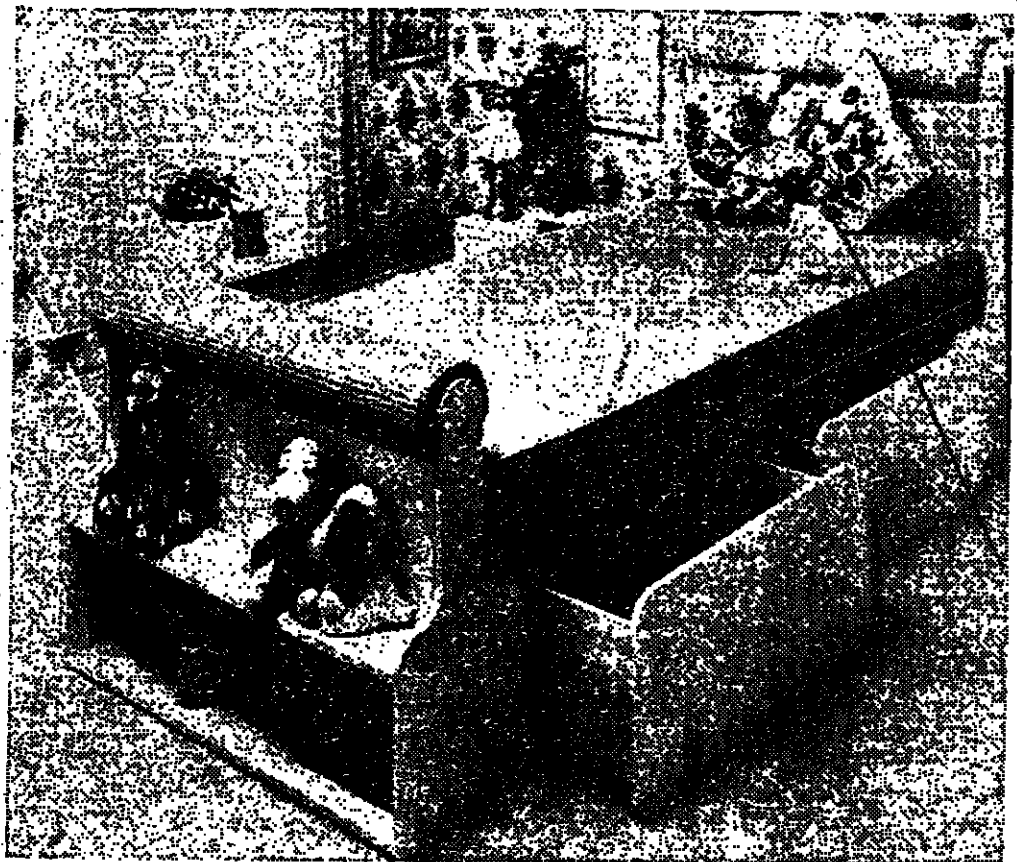


JUDGING by the entries for the Showpiece of the Year award the exhibition itself must have been awash with seating units of every shape and description. We saw them stuffed with polyurethane, some rigid, some soft, some so large I disappeared right into them, some so uncomfortable I wondered whether anybody in the factory had ever sat on them and some so ingenious it made you think the designer had been set a "Hummer" design brief. Though much of the seating

was very beguiling (and I particularly went for Collins and Hayes range of upholstered furniture which offered a large number of alternative loose covers) in the end we chose to give the award to Togo seating for its up-to-date air (it looks informal) and its good price.

The units have a foam core and are covered with soft tegalen. France the seating is imported by John Higham, Halcyn House, Church Lane, Great Missenden, Bucks, of whom you should write for local stockists. It is also on show in

corner units can be selected and used to suit almost any room. The prices seemed to us very reasonable for the quality—a single-seater is about £117, a two-seater about £165, a three-seater about £225 while a corner unit is about £180. There's a big choice of covering fabric—velvet, linen, tweed or hide may be used. Made by Roset SA of Montpellier, France the seating is imported by John Higham, Halcyn House, Church Lane, Great Missenden, Bucks, of whom you should write for local stockists. It is also on show in



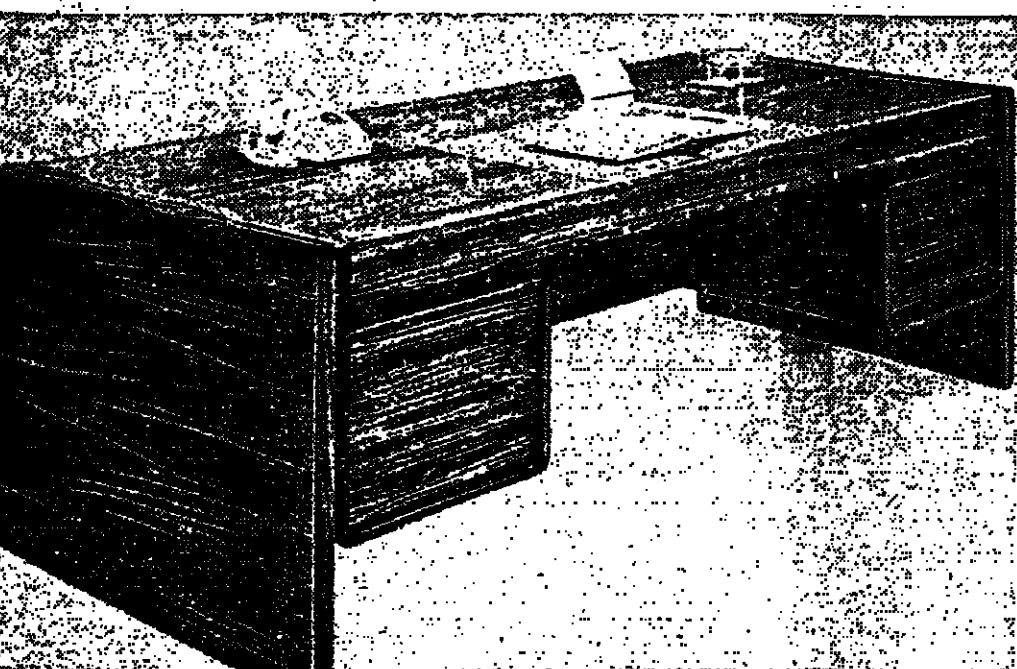
FOR SOME reason the nomination of Slumberland's Carousel bed seemed to arouse much dissonance among the judges. I was one of those firmly in its favour, simply because having once had to try and furnish a minute room for a child I could see at once how a bed like this would have solved many of our problems. The drawers under the bed are particularly nice and

easy to use in that they run very smoothly, and the addition of the shelves at the foot of the bed gives room for books or other toys as well.

Though I didn't much care for the choice of fabric on the headrest and footboard, it is easily removable and therefore easily replaced. Though it wouldn't be easy to make up a conventional bed on this type of

base, if made with a fitted bottom sheet and a duvet it would pose no difficulty at all.

Clearly this isn't the bed for everybody, but I do see it as being useful to many people. It comes in a single size only, measures 216 cm by 95 cm and sells for about £139 (the drawers are about £10 extra each). At the moment it can be ordered through most Slumberland stockists.



I CAN'T think of many employers who would be prepared to provide their staff with a desk as magnificent as this but it certainly would be the supreme status symbol for the successful executive who'd made it to the very top. Not only is it marvellous to look at (the dark solid rosewood gives it great elegance) but it is eminently practical as well. There are three lockable drawers just below the working top while on the left

there is a three-drawer cabinet high (£1,465) it is made from solid wood, either rosewood or stained black ash, which is a great rarity in these days of veneers.

This is one of two Danish designs to win an award (the other being the slot-together wooden chairs) and though its origin is fairly apparent it has a generosity of line, an amplitude about it that I don't always associate with Danish design. You can gauge something of its proportions from the measurements—210 cms by 95 cms by 72 cms. desk will be displayed) at 16 Hay Hill, London, W.1.

Designed by John Waterzen for the Danish firm of Dyrlund-Smith it is imported by Turberville Smith and Son and is aimed principally at the contract market. Any reader interested in it should contact Turberville Smith (in whose showrooms the desk will be displayed) at 16 Hay Hill, London, W.1.



## Wool makes its mark

A STUNNING new knitting book comes out this week. I'm not usually much inspired by knitting patterns as they are usually for that sort of serviceable garment that one can buy so easily and inexpensively in most of our good chain stores. However, knitwear has now become such an important part of the fashion scene and the garments that are in fashion have become so highly priced (Italian and French knitwear with the really up-to-date look have price tags that seldom drop below £20) frequently are around the £40 mark and occasionally go up to £100) that a knitting book of really up-to-date designs must be a good investment for those of you who can and do knit.

Many of you may have noticed that rather fragile, lacey-looking knitwear is back in fashion but most ordinary knitting patterns do not reflect this. It is also difficult to find patterns of really attractive jackets and coats. The new booklet, Knit One in Wool, produced by the International Wool Secretariat and the 13 spinners who make up the British Hand Knitting Association, puts all this right.

There are 44 knitting patterns and nearly all of them are, I think, lovely. There are some of the lacey-looking sweaters and cardigans. There's a Fairisle V-neck sleeveless sweater for men (which is, of course, just the sort that many women would love to have but which is very, very expensive in the shops).

I particularly like this hooded long jacket—the International Wool Secretariat had it knitted up in a lovely speckly soft greyish-blue colour in which it looks marvellous. There's



a very fashionable long-line sweater (the sort that, on the very young, can be worn with thick tights and turned into a dress) as well as some nice thick-knit cover-up sweaters. The photographs, incidentally, are lovely and were taken by Brian Duffy.

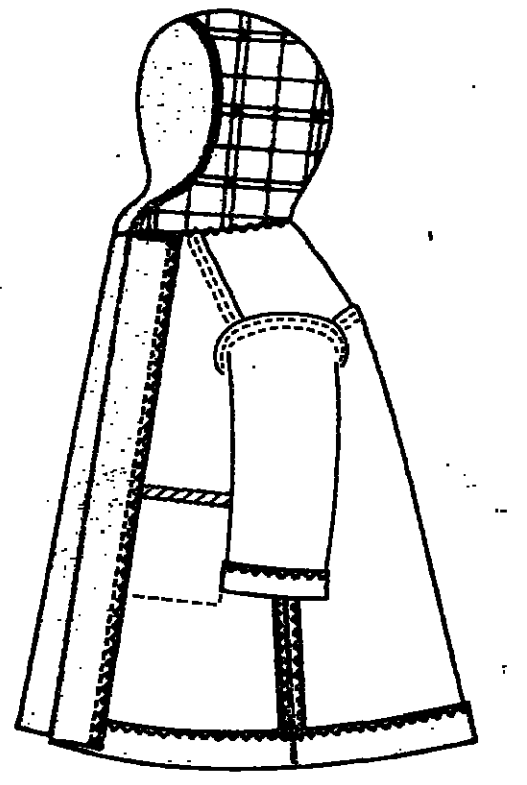
All the designs are by Erika Harrison, all are in pure new wool or wool rich yarns and some are in the machine-washable wool, Superwash.

The book sells for 75p and can be found in hand knitting yarn shops and department stores now. If you have trouble finding it you can buy it direct from: International Wool Secretariat, Wool House, Carlton Gardens, London, S.W.1. Send 97p which is the purchase price of 75p, plus 22p p. & p.

## Sew simple

FOR THOSE who prefer to sew, or have to sew because it's the best and cheapest way to clothe their children, the BBC is launching a new series called Children's Wardrobe, designed to show viewers just how to set about making children's clothes themselves. To go with the series there is an excellent book called simply Children's Wardrobe, which may be bought direct from BBC Publications for £4.50.

The book itself has considerable validity all on its own. It has been written and edited by Ann Ladbury, and has beautifully clear and simple photographs and sketches (the sketch of the duffle coat, right, is typical). Included in a flap at the end are patterns for all 38 designs. Sally Tiffin, a very good and well-known dress designer, has been responsible for all the designs, which vary from the immensely practical (like the pretty quilted dressing gown and duffle coat) to the trendy (like the quilted Chinese-style jacket and flowered tiered pinafore and matching blouse). Though the book is worth buying on its own merits, if I were going to be at home for the ten programmes, which are on Mondays on BBC 2 at 19.05, starting from February 13, I would certainly watch them as well.



## Long life bulbs

MOST people by now know that British Home Stores is an excellent source of well-designed, good-looking lighting. In the current furore over the unwillingness of many retailers to stock Double Life Light Bulbs it hasn't always emerged that the BES chain is a good place to find them. The chain consists of 103 shops, all of which sell these bulbs. They are available in 40 watts, 60 watts and 100 watts and in packs containing three bulbs of the same wattage. Each pack costs 54p or you can buy the bulbs singly at 19p each. They also stock 150 watt bulbs but these are 23p each.

## Freezer alarm

IT WAS over Christmas when my freezer was so full that I couldn't have found room for another packet of emergency supplies that I first began to worry about what I would do if anything went wrong with the freezer. Not only did I have a

whole succession of events to cater for but friends and relations were homing in on us from South Africa, Northumberland, Berkshire and London.

I couldn't see any way of coping with such a disaster, except to retire to my bed. In the event nothing did happen to the freezer and it is now considerably depleted. However, worrying about it was sufficient to make me realise that all freezer owners should (a) take out some kind of insurance policy and (b) have a device which warns them if there is something wrong.

Yale Security Products have just brought out a freezer alarm which becomes activated if the temperature rises above minus 10 degrees C (14 F). It is a smallish gadget, operated by batteries which you fix to the outside of your freezer. It uses a PP3 battery which should last for at least six months. If the temperature rises above minus 10 degrees an alarm begins to sound at which point you either beg some space in a neighbour's deep-freezer or persuade a willing electrician to come and deal with the problem. It costs £10 and can be bought

**AUGUSTUS BARNETT**  
GREAT WINE & SPIRIT SALE  
GIANT DOUBLE BOTTLE MAGNUM SIZE  
SAUMUR BLANC  
£2.50  
TO-DAY AT 150 CUT-PRICE WINE SHOPS



# Property

## Catching the habit

BY JOE RENNISON

IF YOU ARE, as I am, a married house-owner but still a devout and unashamed male chauvinist pig—or if you are thinking of getting married and buying a house, or even staying single and buying a house—your heart must have been uplifted by the news from the Abbey National Building Society earlier this week.

It is still—as the good Lord always intended it—a man's world. It is nice to know that our superiority—and what greater measure of superiority can there be than in the ability to buy a house—has been recognised by A BUILDING SOCIETY, one of the chief props of the conspicuous consumer society?

The Abbey decided to produce a publication showing the house price averages over the country and who was buying what. Unfortunately, at the same time they have blown the gaff on what could be interpreted as their, or other societies', leading priorities. While these will no doubt be endorsed as a whole by the male population, it could lead to nasty scenes outside many an Abbey office.

The Abbey has broken down the house-buying population into four classes of citizen. Like the Almighty, the Abbey created them thus: Class 1. Married, Class 2. Sole Male, Class 3. Sole Female, Class 4. is something the Abbey describes as "Joint Other." You are free to speculate on what this means.

You will see from the Table that the price of the houses bought by the four categories go in descending order. The poor Joint Others come nowhere in the cost of this status symbol.

Now it could be true that a married couple always choose a house that is more expensive

than that a Sole Male would choose—and naturally the Sole Male would choose one more expensive than the Sole Female and she would of course pay considerably more than the two (presumably joint income) Joint Others. There is approximately a £1,000 gap between each category.

I have my doubts. Now the figures given by the Abbey are house prices based on the actual sales involved and I am not questioning those figures. But try to switch your minds to another tack and imagine the figures represent the amount of money loaned by a building society on such properties. A pattern seems to emerge which would suggest a class structure.

It is particularly between Class two and Class three that there seems to be something of a credibility gap. In these days of sex and income equality (particularly among the kind of people who buy houses) it seems odd that the female should plump for a house or flat a thousand pounds cheaper than the male. Or do females always want a house that is so much smaller and therefore cheaper? There was a time in the not-too-distant past when single females were very much discriminated against in building society lending. Could it be that old habits have not yet quite died out?

The same goes for the gap (proportionally larger) between what was paid by the single woman and the Joint Others. Can it be that the joint incomes are less than a single woman or man or the total income of a working man with working wife? Could it be that the building societies are reluctant to lend to people who have not actually tied themselves together—for this joint venture through the bond of matrimony?

Do people have to resemble the ideal married couple who feature in so many telly adds to take the greatest advantage of the housing market?

If such a feeling got through to the population in general it could lead to some odd situations. Men could start hating women to say they are their wives and so improve their chances. Sole Females might lie in wait in dark alleys for Sole Males and drag them off to the nearest church. The Joint Others could face some tragic situations such as the following: J.O.1: "I'm leaving you to climb the Abbey social ladder."

J.O.2: "You traitor. But I will tell you something I've been wanting to say for a long time. I'm with the Woolwich."

There can, of course, be other explanations for the Abbey figures—as indeed the Abbey is anxious to point out. It is argued, for instance, that married couples will on average go for a larger and therefore more expensive home than those other categories. This is a fair point and probably accounts for this price difference.

As far as the singles are concerned, Abbey argue that there is still no such thing as equality of incomes between the average male and female. Women are still a lot worse off and it is inevitable that this should show up in the prices they insist that there is no such thing as discrimination in lending against the single woman. The point about the

Joint Others was rather glossed over with arguments that there could be two or more in the contract so there was no way of making any detailed analysis. Groupie mortgages, nevertheless, are obviously considerably smaller than the average.

Perhaps I am just cynical but the whole thing just does not ring true. While not doubting the abilities of the compilers of such a price indicator, I feel they could be reflecting the habits over lending policy of their many branch managers—which taken all together result in the kind of pattern I have suggested. I hope I am proved wrong.

In this first edition of *Homes, Prices and Places*, the Abbey does a breakdown of the kind of people buying certain types of property. The trends are interesting. The buying habits of first-time buyers and existing owner-occupiers are in marked contrast. First-time buyers account for 77 per cent. of flats and 71 per cent. of terraced houses, owner-occupiers account for 63 per cent. of bungalows and 79 per cent. of detached houses. Semi-detached houses, however, are in almost exactly equal demand from the two sectors. 51 per cent. of them go to first-time buyers and 49 per cent. to existing owner-occupiers.

These differences are largely due to comparative prices but if that were the whole story semi-detached houses (only slightly more expensive than flats) would also attract a high percentage of first time buyers. The

practical advantages of the "semi" clearly retain appeal for many who have already experienced home ownership. As far as the housing market in general goes, the opinion is that "The present active market will continue well into 1978. All types of house will be in demand. Building societies' carefully built-up liquidity should enable them to maintain a steady flow of mortgage funds and to consider a wide variety of types of property."

A notable feature will be the urban and especially the inner urban areas. With the Government, local authorities and

Two very attractive properties on offer this week through the same agent. It would be hard to make a choice between them. Savill's London office is selling Whitmoor House, near Worplesdon, Surrey (above).

Accommodation consists of five reception rooms, kitchen, six main bedrooms, five secondary bedrooms, two guest bedrooms, six bathrooms (three en-suite) and with oil-fired central heating.

One of the features the house has to offer is a magnificent indoor heated swimming pool. The estate also includes a cottage, lodge and hothouse, garaging for six and a delightful old Tudor farmhouse ideal for conversion (subject to planning permission). The gardens extend to about 3½ acres which are informally laid out, with a strip of woodland providing protection from the south, and there is also a tennis lawn and

walled vegetable garden. The figure anticipated is in excess of £200,000.

Savill's Norwich office have on offer King Row Farm, Shipdown, Norfolk (left). The old farmhouse with its exposed beams is fully modernised, with double-glazing and oil-fired central heating, and was redecorated in 1977. The farmhouse is set in unspoilt countryside, surrounded by agricultural land. The accommodation comprises: three reception rooms, kitchen, pantry, two store rooms, games room, cloakroom, five bedrooms, shower room, bathroom box office, range of farm buildings, hard tennis court, pond, garden and grounds extending to just under two acres. The gardens are attractively laid out with extensive lawns, separate orchard and vegetable garden. Savill's are asking for a figure of £35,000 for this attractive property, which is also licensed as breeding kennels.

building societies all concerned with the restoration and the highest potential price encourage the move back to inner cities, the "best buys" impact of higher fares will also

trading on the restoration and the highest potential price encourage the move back to inner cities, the "best buys" impact of higher fares will also

## Chess

THE CONTENTIOUS atmosphere at the end of Korchnoi's 10-7½ victory over Spassky (seven wins to four, with seven draws) may be an ominous foretaste of the world title match later this year when Korchnoi, the Soviet expatriate, challenges Karpov, the USSR world champion. Spassky resigned the final game after the adjournment when much play remained, and both grandmasters pointedly avoided each other at the closing ceremony.

The danger for the championship match lies in the minutely detailed rules laid down by the World Chess Federation (FIDE) which provide many potential headaches for the organisers. The duration is open-ended, and the title goes to the first player to win six games, draws not counting. Quite apart from a prize fund of at least \$75,000, first-class travel and accommodation for the players and their two seconds, and a venue with very specific requirements for lighting, spectator behaviour, rest rooms, and so on, the organisers are responsible for providing stipends for a miniature army of officials at the match, including three arbiters from neutral countries and an "impartial jury" of seven to interpret the regulations and decide on unforeseen problems.

Remembering some of the happenings at Reykjavik 1972, FIDE has made exact specifications for lighting of the stage and for banning spectators who cough, whisper, eat snacks or analyse on pocket sets. In fact, many of the regulations seem to be based on Fischer's conditions

for past appearances; almost as if FIDE was somehow hoping for Bobby to make a miraculous debut ex machina reappearing in international play.

It is said that Karpov would like to play in Hamburg or London, but the USSR Chess Federation may object to Hamburg (Korchnoi has a post as a trainer with the Port club in West Germany) while there is no sponsor in London.

Bids for the match have to be delivered to FIDE no later than February 18, five weeks after the end of the final candidates match, and the most likely candidates appear to be Biel or Lucerne in Switzerland, Manila, and Reykjavik, who played a serious game since 1972. Fischer v Spassky are eager to repeat the experience.

For Spassky, the loser at Belgrade, the Korchnoi match was a real disappointment; only

enough to take on the burden of this costly world title match with its suspicious protagonists, its risks of ultimate walk-outs, and its indeterminate length.

White: B. Spassky (USSR). Black: V. Korchnoi (Sovietless). Vienna Game (14th match game 1978).

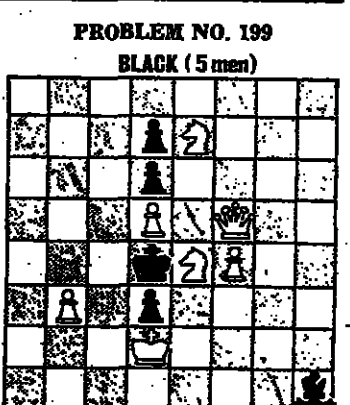
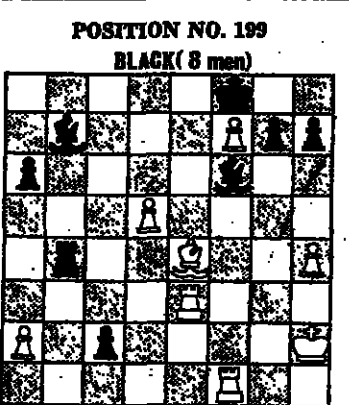
1. P-K4, P-K4 (varying from P-K3 which Korchnoi played in all his earlier games as Black); 2. N-QB3, N-KB3; 3. P-KN3, P-Q4 (sister B-N3); 4. P-P, N-P; 5. B-N3, N-N3; 6. N-P, B-Q3; 7. N-B3, O-O; 8. O-O, P-QB4; 9. P-Q3, N-B3; 10. N-Q2, Q-Q2; 11. Q-B3, Q-B2; 12. N-K4, B-K3; 13. B-K3, P-B5; 14. P-Q4, B-K3 (if P-B4: 15. N-B5, B-N3; 16. Q-Q5 ch; 17. KR-Q1, QR-Q1; 18. Q-K2, B-Q4; 19. QR-N1, P-P; 18. P-P, KR-K1; 19. N-B3 (to exchange bishops and increase his white square control), B-B; 20. K-B, N-R4; 21. Q-B3, N-B3; 22. Q-K2, N-R4; 23. P-Q4, P-QN3; 24. Q-B3, Q-Q2; 25. R-N5, N-N2; 26. B-B4, N-Q3; 27. B-N3, B-B; 28. N-K4, B-K3; 29. B-B, P-N3; 30. P-N4, R-KB1; 31. KR-QN1 (threatening to break through with 32. P-R5, P-P; 33. P-R7, &c. Korchnoi sacrifices a pawn for play), P-QR3; 32. KR-P, P-B4; 33. P-P, R-P; 34. Q-K2, Q-KR3; 35. R-N7, R-K1; 36. R-B7, B-Q3; 37. R-B7, R-N1; 38. P-Q4, P-R3; 39. R-B8 ch, K-N2; 40. Q-R7, 40. R-KB1, Q-B2; 41. P-KB4, R-KR4; 42. R-K8, Q-N6; 43. R-K4, Q-N7 ch; 44. Q-K2, Q-N1; 45. Q-K4, Q-N7 ch; 46. Q-K2, Q-N1; 47. R-K4, R-QN4; 48. R-B2, Q-N2; 49. Q-B3, Q-B1; 50. P-R3, P-QR4; 51. R-KB1 (returning material for a mating attack), B-K3; 52. P-B4, P-N3; 53. P-B4, R-N5; 54. Q-K3, Q-B1; 55. P-K6, R-P; 56. Q-K5 ch, R-R3; 57. Q-B4 ch, K-N2; 58. Q-B5 ch, R-R3; 59. Q-R4 ch, Resigns (mate in two).

Meanwhile, who will be brave enough to take on the burden of this costly world title match with its suspicious protagonists, its risks of ultimate walk-outs, and its indeterminate length.

It is said that Karpov would like to play in Hamburg or London, but the USSR Chess Federation may object to Hamburg (Korchnoi has a post as a trainer with the Port club in West Germany) while there is no sponsor in London.

Bids for the match have to be delivered to FIDE no later than February 18, five weeks after the end of the final candidates match, and the most likely candidates appear to be Biel or Lucerne in Switzerland, Manila, and Reykjavik, who played a serious game since 1972. Fischer v Spassky are eager to repeat the experience.

For Spassky, the loser at Belgrade, the Korchnoi match was a real disappointment; only



POSITION NO. 199  
BLACK (8 men)  
WHITE (7 men)

PROBLEM NO. 199  
BLACK (5 men)  
WHITE (7 men)

White mates in three moves at the latest, against any defence (by A. Nagler, Zurcher Tagesanzeiger 1961).

Solutions, Page 2

LEONARD BARDEN

## Bridge

AS A CORRESPONDENT has asked about J. W. Tait's *Bridge Match* (Faber £3.95), I am going to take a hand from this excellent book to-day:

N. 3  
W. 4  
E. 5  
S. 6  
10 9 7  
9 4 3  
Q 10 8 4  
J 8 2  
S. 8  
K J 8  
Q K 5  
A J 7 6 2  
A Q

South dealt at game to East. West and bid two no trumps, which North raised to six, and West led the spade ten. The average declarer, after winning in hand, plays on the diamonds and hopes to make King is cashed, and one trick is five tricks in the suit. If he surrenders to the Queen. If makes only four, he falls back

round, the King is played and the nine is returned. East can make his Queen at once or a trick later. We turn to something quite different from a rubber. The alert defender is always on the look-out for uppercuts and trump promotions—see what happened here:

East dealt at love all and bid one diamond, South overcalled with one spade, and after a pass from West, North raised to four spades, which became the final contract.

Taking West's diamond eight with dummy's Ace, the declarer

flushed Ace and King of hearts to discard one of his losing diamonds, and then led a club to prepare for a ruff. East went up with his King, cashed one diamond honour, and led another, forcing declarer to ruff the second one high, and allowing West to throw his two remaining hearts.

A second club went to the Queen and Ace, and East led a fourth diamond, again forcing South to ruff with a trump honour. The declarer now ruffed his last club on the table, and cashed the King and ten of trumps.

At this stage West had one club and the singleton nine of spades, while the declarer had Ace and eight of spades. With the lead in dummy, South had to return a heart, and nothing could prevent West from scoring his trump for the setting trick.

This trump promotion could have been avoided if the declarer had foreseen it, by the simple expedient of ruffing a heart at trick four. This would have left West powerless to defeat the contract.

E. P. C. COTTER

## Cricket

FOR THE first three days of this third Test match all the good cricket has been played by Pakistan. Beautiful slow left arm and leg spin and googly bowling kept the England batsmen in a state of prolonged torture, but the slowness of the pitch enabled them to struggle on to 266 having lost their first five wickets for only 107. It was a brave but boring fight.

When Pakistan began to bat Mudassar and Mohsin produced more strokes in the first 90 minutes than the England batsmen played in their entire innings which went on for the equivalent of 164 six-ball overs.

At lunch to-day when Pakistan were 115-1, it looked as if they would have comfortably overhauled the England score by the close.

During the afternoon session which lasted 95 minutes they added 71 more runs and lost the important wickets of Haroon who is a wonderful find of the first Test matches, and Mudassar. It then took Wasim Raja and Javed Miandad a while to rebuild the innings before Miandad was caught at slip off Edmunds's last ball of the day. At the close Pakistan were 230-5, still 36 runs behind and with two left a draw now looks a virtual certainty.

At times on these slow pitches, Pakistan have made England's cricket seem totally

bankrupt. To-day looked as if it was going to be another such occasion. This morning Mohsin and Mudassar began to bat brilliantly. Mohsin is the more upright and elegant player with the better sense of timing. He is and when he came out to drive the England slow bowlers through the covers, they were strokes of the highest possible pedigree.

In the last over of the morning he came down the pitch and drove Miller to long on for six. It was a wonderful stroke which took equally of his timing, his footwork and his temperament. Mudassar has matured astonishingly since making 114 in nine hours and 50 minutes in the first Test at Lahore. That innings obviously gave him the confidence he needed. His

innings to-day was much his best of the series and he was always looking to play his strokes and he has a pleasing array.

It was a slightly bizarre day's cricket for there were constant hold ups and interruptions and the England over rate fell below 11 eight-ball overs an hour. This was not entirely the bowlers or Boycott's fault although it obviously helped England to slow the game up a bit; much as they could. During the lunch interval the Chief Martial Law Administrator, General Zia ul Haq, was the teams and the interval was officially prolonged by 15 minutes which were to be made up at the end of the day, but in fact an extra 25 minutes were taken.

HENRY CATHORPE

## PROPERTY LONDON AND COUNTRY PROPERTY: OVERSEAS PROPERTY: ESTATES AND FARMS: LAND FOR SALE: INVESTMENTS:

**Cluttons**  
MID NORTHUMBERLAND  
EMBLETON STEADS AND HIGH WELDON FARMS  
SOME 780 ACRES  
with full vacant possession  
Main Farmhouse. Further Farmhouse  
Good Farm Buildings and  
1½ MILES FISHING ON RIVER COQUET  
FOR SALE BY PRIVATE TREATY  
AS A WHOLE OR IN LOTS  
Details from:  
CLUTTONS, 20 Victoria Avenue, Harrogate HG1 5QY.  
Tel: (0423) 64251.

**GEORGE MAWER & CO.**  
Chartered Surveyors, Chartered Auctioneers, Estate Agents  
By direction of the Trustees of Arnold Laver deceased  
**SOUTH YORKSHIRE**  
about 8 miles South West from Bawtry  
**THWAITE HOUSE FARM, FIRBECK**  
High quality Freehold principally  
LIMESTONE ARABLE UNIT  
extending to about  
400 ACRES  
with Farm House, Two Cottages and Farm buildings  
For Sale by Auction  
23 and 24 February 1978  
Details from the Joint Agents—  
**GEORGE MAWER & CO.,** W. T. PARKER,  
27 Market Place, 15, Vicar Lane,  
MARKET RASEN, CHESTERFIELD,  
Lincs. Derbyshire.  
Tel: 32156  
Solicitors Branson, Bramley & Co., 6, Paradise Square, Sheffield  
Tel: 737346

**R. H. & R. W. CLUTTON**  
EAST GRINSTEAD/SUSSEX  
BUILDING LAND AND WEST PART OF  
ST. AGNES' AND ST. MICHAEL'S JUNIOR SCHOOL  
with planning approval for residential development for 4.35 acres.  
Existing building comprising approximately 14,300 sq. ft.  
IN ALL 4.8 ACRES  
FOR SALE BY TENDER  
EAST GRINSTEAD, SUSSEX, Tel: 0343 24131

**EXECUTIVE HOME**  
READY TO MOVE INTO  
American exec. moved again wishes  
to sell spacious three-bedroom house  
in Southgate, N14. Walking distance  
Piccadilly Line. Fully-fitted, Freehold  
(23,500).  
RING 01-499 5961 or 01-784 1924

**WOODLAND**  
Attractive small plots of about 4  
acres of established conifers in Scot-  
land. Freehold. Tree range from 10-50  
years old. Young trees about £200  
per acre. Management arranged.  
Trouble-free investment.  
Tel. No. Woodhead 01-429 2731  
or Mablethorpe (0428) 30461

**11,000 HECTARE (27,181 ACRES)**  
**FAZENDA IN BRAZIL**  
completely enclosed by fencing, best grazing area  
with corresponding cattle stock, modern bungalow  
with swimming pool and sufficient water, good access  
to road and rail, nearest railway station 25 km, for  
sale at favourable terms. Further details may be  
obtained by submission of proof of capital of 4 million  
dollars from:  
Land- und Forstgütervermittlung Josef Walzer,  
D-8752 Schmerlenbach, Tel. 06021-69807, Germany.

**NORTH COTSWOLDS**  
Exceptionally desirable freehold  
traditionally styled modern coun-  
try farmhouse for sale with ad-  
joining expanding residential com-  
munity with main line commuter  
station, and about £20,000 liquid assets  
OFFERS INVITED  
HOBBS PARKER, 19 Telford Street,  
Aldford, Kent. Tel: 0223 22222  
BURNHOLDS & DAY, 39 Bank Street,  
Aldford, Kent. Tel: 0223 24721

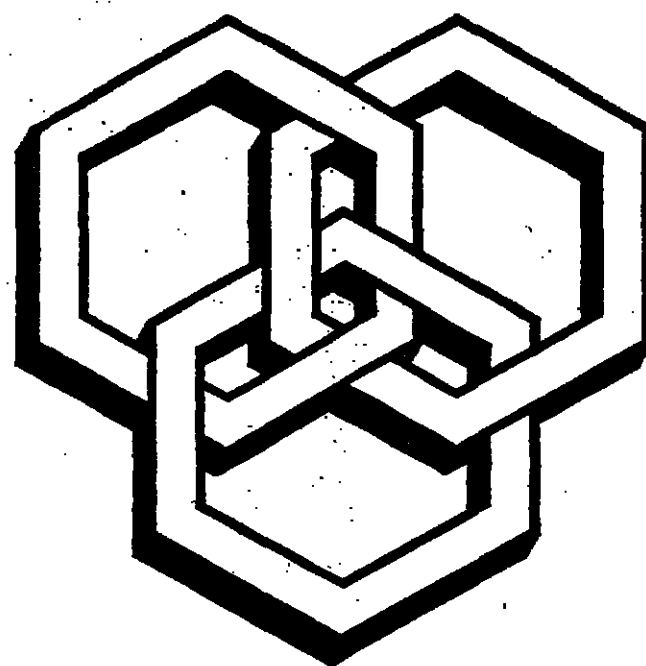
**WEST SCOTLAND**  
Up to 40 acres arable land in fast  
growth area to lease. Very suitable  
shrub growing, garden centre. House  
for sale, 5 beds, 2 baths, 3 public  
rooms, central heating, very good  
order, £30,000. Cottage, subject  
to tenant's rights, £5,000.  
Write Box T-885, Financial Times,  
10, Cannon Street, EC4P 4BT.

**FRANCE—PARIS-NEUILLY**, beautiful pri-  
vate residence "Hôtel Particulier".  
Overlooking Bois de Boulogne—500 sq.  
meters, 12 rooms, 10 bathrooms, 10  
garages. Price: Fr. 4,800,000. Write to:  
Mr. Carlier, 11 rue de Valenciennes,  
75015 PARIS, FRANCE. Tel: 720.83.11.  
BRIGHTON, LON. 1000000. Write to:  
Mr. Carlier, 11 rue de Valenciennes,  
75015 PARIS, FRANCE. Tel: 720.83.11.  
COTE D'AZUR, villa apartment delightful  
situated. Three double bedrooms, two  
bathrooms, swimming pool, 2000 sq. ft.  
51351.  
DETACHED House, Shops 800  
yards, 4 beds, 2 baths, 2 rooms, chb.  
central heating, 1000 sq. ft. 1000 sq. ft.  
fine views. £45,000. Write to:  
Mr. Carlier, 11 rue de Valenciennes,  
75015 PARIS, FRANCE. Tel: 720.83.11.  
CHANNEL, ISLANDS. To let on Long  
Lease, 10 bedrooms, fully furnished  
and well equipped. House Restaurant  
near 20. Bute Lodge Hotel,  
Aberdeen, S.C.

**RESIDENTIAL PROPERTY ADVERTISING**  
Only £2.00 per line (minimum three lines)  
Return this coupon with details of your property  
together with your cheque and publication will take  
place next Saturday.

**CLASSIFIED ADVERTISEMENT DEPARTMENT**  
FINANCIAL TIMES  
10 CANNON STREET, EC4P 4BY  
or telephone 01-248 8000, ext. 390





# Announcing: Sun Alliance Unit Investment Portfolio

Few would deny that in attempting to preserve the real value of capital, the private investor faces an increasingly difficult task.

The selection of securities, the timing of sales and purchases, the type of investment medium and diversification by country are but a few of the areas requiring increased attention.

The new Sun Alliance UNIT INVESTMENT PORTFOLIO is designed to overcome many of these problems. It is a single premium contract with benefits linked to the performance of a selection of funds catering for most investment conditions. You can choose the fund – or funds – to which you wish your policy benefits to be linked and you have freedom to switch between these funds as investment conditions change.

Some further information about the UNIT INVESTMENT PORTFOLIO

\*Range of Funds  
EQUITY • FIXED INTEREST  
PROPERTY • INTERNATIONAL  
DEPOSIT • MANAGED

\*Your existing shareholdings can often be exchanged for investments in the Unit Investment Portfolio

\*A number of taxation advantages exist

\*Policies can be used for family gifts and for the payment of school fees

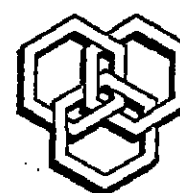
\*A regular income can be provided

\*Facilities available for easy withdrawal

The Unit Investment Portfolio has behind it all the strength, experience and expertise of the Sun Alliance Group, whose origins date back to 1710 and who now manage assets totalling more than £1,200 Million.

The nationwide network of Sun Alliance branches is available for advice and assistance. Ask your insurance broker or other professional adviser for a copy of the Unit Investment Portfolio brochure, or apply to

**Sun Alliance Linked Life Insurance Ltd, Sun Alliance House, North Street, Horsham, West Sussex RH12 1BT**  
Tel: Horsham (0403) 64141



**Sun Alliance LINKED LIFE INSURANCE LIMITED**

# A PLAN FOR ALL SEASONS







## OVERSEAS NEWS

## Ecevit gives response on direct talks with Greece

BY DAVID TONGE

MR. BULENT ECEVIT, Turkey's new Prime Minister, today said it would be "very useful" to begin a direct high-level dialogue with Greece, but did not specify what form this should take. He was speaking the day after Greece announced that its Premier, Mr. Constantine Karamanlis, would be prepared to meet Mr. Ecevit to discuss disputes between the two countries.

Speaking out some of his Government's main priorities in an interview here today, Mr. Ecevit said the Administration would start taking measures to deal with the country's economic position at the start of next week and that it would later seek to revise Turkey's relations with the EEC.

The Prime Minister, speaking shortly before Mr. Cyrus Vance, the U.S. Secretary of State, flew into Ankara tonight, also made clear that he favoured a revision of the \$1.36bn. defence co-operation agreement signed in March 1976 between the Ford Administration and the then Turkish Government of Mr. Suleyman Demirel. He will be raising this issue with Mr. Vance.

The defence relationship between the two countries has been strained ever since the U.S. Congress imposed an arms embargo in the wake of Turkey's 1974 invasion of Cyprus. Turkey subsequently closed down the U.S. bases spread across the country which are important for monitoring Soviet missile sites. Although a new defence co-operation agreement was signed by the two Governments in 1976, the bases have remained closed because the U.S. Congress has not yet ratified the pact.

Congress has linked ratification to progress towards solving the Cyprus dispute, but Mr. Ecevit today said the two issues should not be linked. On the Cyprus question, Mr. Ecevit said that his talks with Turkish Cypriot leaders, which ended yesterday, had left him with the impression that the proposals they are now to put forward on territorial and constitutional questions were "very useful" to form a direct dialogue between the two neighbouring countries at a high level. That has always been my approach.

ANKARA, Jan. 20.

think it is an anomaly that such a dialogue does not exist as, after all, we are neighbours and we are supposed to be allies.

As regards the EEC, he said that Turkey would have to undertake "certain structural changes" in the economy in order to "establish our relations and our cooperation with the EEC and to ensure that our future complete membership is possible."

Turning to political violence, which cost 230 lives last year, Mr. Ecevit accused the right-wing Nationalist Action Party, headed by the former Deputy Premier, Alparslan Turkes, and its supporters of being "to a large extent responsible for the terrorism in Turkey."

He said that recently Mr. Turkes had been advising his followers to act in a lawful manner but "even if he is sincere now it may be too late for him to counsel against the use of force by the armed forces."

"We have inherited a tragic and immense problem but the Turkish state is basically sound and deep rooted," he added.

## Carrillo article defends reputation

By Robert Graham

MADRID, Jan. 20. SR. SANTIAGO Carrillo, leader of the Spanish Communist Party, has intervened to defend his own and the party's reputation in the controversy caused by the publication of the autobiography of expelled Communist member Sr. Jorge Semprun.

Sr. Carrillo's counter-attack has taken the form of an article in the latest edition of the party newspaper, *Mundo Obrero*. He has avoided commenting specifically on the book, opting instead for a more diplomatic (though obviously pained) response.

Among the assertions of the book is that Sr. Semprun was expelled from the party in 1964 for espousing Eurocommunism, which was then even a matter of party line, which subsequently has been embraced as an article of party faith.

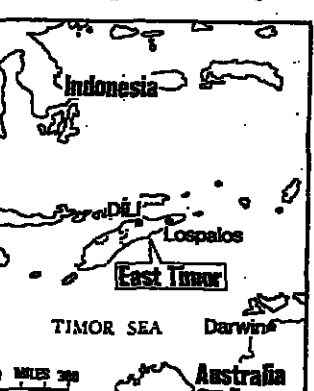
To put the record straight Sr. Carrillo says he is willing to open up the party archives to historians. Further he says the best response to Sr. Semprun is to hold an open debate at the party congress.

## E. Timor move recognised by Australia

By Kenneth Randall

CANBERRA, Jan. 20. AUSTRALIA today announced formal recognition of Indonesia's military take-over of East Timor, the former Portuguese colony. The decision comes 26 months after the Indonesian "act of incorporation" and appears to remove one of the major points of friction in regional relationships.

Mr. Andrew Peacock, the Australian Foreign Minister, said today: "The Government has decided that although it



remains critical of the means by which integration was brought about, it would be unrealistic to continue to refuse to recognise de facto that East Timor is part of Indonesia."

Whatever it does for bilateral relations, however, the decision will bring a storm of domestic criticism on the Government. Supporters of self-determination for East Timor have a vocal and well-organised lobby, mainly through the Campaign for an Independent East Timor (CIET), which also has branches in Britain and New Zealand.

## South Korean N-power plan

SEOUL, Jan. 20. SOUTH KOREA today released a revised long-term power production plan increasing the number of nuclear plants planned to be in operation by the year 200 from 25.

The 46 plants, if completed as planned, will have a combined production capacity of 50,800MW, accounting for 63 per cent of the total planned energy production of 80,000 MW by 2000.

Oil-burning power plants now account for 72.3 per cent of total power production, followed by hydro-electric with 9.8 per cent, coal with 9.7 per cent, and nuclear with 8.2 per cent.

## THE MIDDLE EAST

## Israel waits for Sadat to speak

BY OUR OWN CORRESPONDENT

JERUSALEM, Jan. 20.

THE ISRAELI Government will not decide until Sunday whether to continue peace negotiations with Egypt.

A Cabinet session then will assess the outcome of the discussions of Mr. Cyrus Vance, U.S. Secretary of State, and President Anwar Sadat of Egypt. The other chief factor to be taken into consideration will be Mr. Sadat's decision to recall his delegation after 36 hours of talks continues. Agreement had already been reached on five of the seven points to be embodied in the declaration of principles, according to Mr. Menachem Begin, Israeli Premier. While no details have been officially disclosed, the two unresolved points are understood to be the most difficult — the Egyptian demand for total Israeli withdrawal to the June 1967 borders, and recognition of the principle of Palestine self-determination.

It is believed here that Mr. Sadat may have decided on the recall of his delegation because

East were denied by U.S. officials today — though the possibility is not ruled out. The plan is that the U.S. Secretary of State should proceed to assess the outcome of the discussions of Mr. Cyrus Vance, U.S. Secretary of State, and President Anwar Sadat of Egypt.

Speculation about the reasons for Mr. Sadat's decision to recall his delegation after 36 hours of talks continues. Agreement had already been reached on five of the seven points to be embodied in the declaration of principles, according to Mr. Menachem Begin, Israeli Premier. While no details have been officially disclosed, the two unresolved points are understood to be the most difficult — the Egyptian demand for total Israeli withdrawal to the June 1967 borders, and recognition of the principle of Palestine self-determination.

It is believed here that Mr. Sadat may have decided on the recall of his delegation because

of attacks on his continued peace initiative in the Arab Press outside Egypt and the rather lukewarm support he has received so far from Saudi Arabia, as well as the continued absence of Jordan from the negotiating table. Egypt obviously hopes also that Washington will exert more pressure on the Israeli Government.

The Israeli Government is now more determined than ever for what it regards as necessary arrangements that will safeguard the country's security. At the same time, it is recognised that the handling of the question of the Jewish settlements in northern Sinai by Mr. Begin has been most clumsy and provocative.

What Jerusalem appears not to have brought home to either the U.S. or the world is the fact that these settlements — which here are seen as a "civilian early warning system" — jut a bare three miles into Sinai.

At one stage Israel talks retaining territory up to Arish, 40 miles beyond the Strip.

If adequate safeguards in way of demilitarisation of Sinai were offered, Israel, at least on Thursday night, would have agreed the removal of the settlement turned out to be the obstacles to peace. Mr. Shi Peres, leader of the Labour Opposition, indicated as much earlier in the week before break-up of the talks.

Following the month's euphoria engendered by the visit of President Sadat to Jerusalem, a feeling has begun to grow that the price demanded Israel might be higher than could pay.

The general feeling here that nothing short of a sum meeting between President Carter and President Sadat is seen as a "civilian early warning system" — jut a bare three miles into Sinai.

## Hanoi launches bitter attack on Cambodia

BY RICHARD NATIONS

BANGKOK, Jan. 20.

HANOI today launched its sharpest propaganda attack on Cambodia since the outbreak of their four-month-old border war in an official editorial labelling Party's official organ *Nhan Dan*.

In a separate report the Vietnamese claimed victories repelling further aggression by Cambodian forces during a major battle in the delta area in which one battalion of Khmer Rouge troops was wiped out and another two badly mauled. The report also claimed that the two Vietnamese border towns came under renewed mortar attacks.

Observers here regard the direct attack on the Pol Pot regime as "the reactionary Cambodian authorities" as a significant escalation of the propaganda war. The editorial, appearing in the Vietnamese Communist Party's official organ *Nhan Dan*, also states explicitly for the first time that Phnom Penh is "isolated both at home and in the international arena."

This is the strongest language used yet in Hanoi's official communique on their conflict with Cambodia. Hanoi now seems unwilling to coexist with the Pol Pot regime under any circumstances, and that only a change of Government in Phnom Penh will placate the Vietnamese.

## New resettlement plan for S. African blacks

BY QUENTIN PEELE

JOHANNESBURG, Jan. 20.

THE LAST squatter shacks at the Unibell camp outside Cape Town were bulldozed today as hosts.

Demolition of the Unibell shanty town finished well ahead of schedule, with the homes of an estimated 10,000 blacks removed, because many of the squatters themselves dismantled their shacks when they realised they could not resist the bulldozers hired by the local Bantu Administration Board.

Port observers in the Cape re-analysed the situation, including the influx simply moved to other camps which surround Cape Town, where thousands of black workers live illegally with their families rather than live singly in office hostels.

Meanwhile in Johannesburg major resettlement of blacks is the West Rand Bantu Administration Board announced that would resume the removal of single men from Alexandra town in preparation for rebuilding the township uniquely for hostel accommodation.

Any families living in the township are to be rehoused: Soweto, Johannesburg's principal complex of townships.

A temporary halt was called to the operation last year after an outcry from several Christian churches, including the influential Dutch Reformed Church.

Port observers in the Cape re-analysed the situation, including the influx simply moved to other camps which surround Cape Town, where thousands of black workers live illegally with their families rather than live singly in office hostels.

## Andreotti's party sets terms for talks with Communists

BY DOMINICK J. COYLE

ROME, Jan. 20.

SIG. GIULIO ANDREOTTI, Italy's Prime Minister-Designate, was today given a mandate by the leadership of his Christian Democrat party to try and form a new Government, but with the important proviso that Communists should not participate directly in it.

Additionally, Christian Democrat leaders want to ensure that any new Government can survive for more than a few months, since the presidential elections are due at the end of the year, and, under the constitution, Parliament may not be dissolved in the final six months of a presidency.

This bar to a parliamentary dissolution in the second half of 1978 will be an important background to the negotiations which Sig. Andreotti will start formally on Monday with the other governing parties, notably the Communists,

the second largest party in Parliament with 250 seats in the 630-member Chamber of Deputies. The Christian Democrats have 263.

It was the Communists who brought on the present crisis by withdrawing, together with the Socialists and Republicans, their tacit support for the 18-month-old minority Andreotti administration, calling instead for their own inclusion in a new emergency government.

The Christian Democrats are prepared to concede an enhanced political role to the Communists, but is equally prepared to threaten new elections if the Communists persist in demanding ministerial portfolios.

Such a threat-wind, of course, is not possible if any governing formula established now was to break down during

the second half of the year and, for the moment anyway, many Christian Democrat leaders appear to think that their party would fare better in an early poll than would the Communists.

Privately, commissioned opinion polls are said to confirm this expectation, although no supporting data has been released publicly.

Sources close to Sig. Andreotti suggest that his strategy in next week's negotiations will be to try and lay the basis for an all-party agreement on a detailed economic and social programme which the Communists might then support in Parliament, although the Christian Democrats would not be seen to be asking directly for Communist backing in confidence votes on the new Government's programme.

## Hopes of W. German print deal

BY ADRIAN DICKS

BONN, Jan. 20.

LEADERS of the West German Newspaper Publishers' Association and Printing Trade Employers' Federation expressed confidence today that the outlines of a far-reaching agreement with the printing union, IG-Druck, sketched early today could be built into a permanent settlement of outstanding problems in the industry.

Newspapers in several parts of Germany once again failed to appear as a result of stoppages intended to add to the pressure on the employers. The publishers' spokesman condemned these as overstepping the bounds of warning strikes, while the IG-Druck president, Herr Leonhard Mahlein, said they were "an unavoidable spilling over" of the wage negotiations.

When was described as a breakthrough early this morning consisted in the two sides setting out "guiding principles" for the solution of the main stumbling block in the negotiations — the conditions under which the union side would accept introduction of electronic printing technology in place of the traditional hot-metal process.

Details of these principles were not yet known this evening, but it was agreed to set up a joint drafting committee to continue work on them next week. As a result, the publishers' leaders said they hoped further stoppages would be avoided.

Herr Mahlein and other IG-Druck leaders appeared a little less certain that the guiding principles would lead to final agreement, but stressed the union's willingness to continue negotiations. Earlier this week it had spoken of the talks leading to this morning's breakthrough in Frankfurt as the last round that could usefully be held.

Besides questions of pay and social benefits, the main issue in the talks has been that of manning levels, income guarantees and status for skilled typesetters and other workers whose jobs in their present form would disappear with the phasing-out of hot metal. The employers had made an offer they claimed was unparalleled in West German history, embracing these points and also offering retraining for those forced to leave the industry.

Herr Fritz Raff, a spokesman for the journalists' union who also took part in the talks, indicated that a basic agreement had also been reached on the definition of his members' work following the introduction of video display terminals in editorial offices.

Journalists would have the right to refuse "unreasonable" work, he said.

## French economic recovery forecast

BY ROBERT MAUTHNER

PARIS, Jan. 20.

A MODEST recovery of the French economy in the next six months is forecast by the French National Institute of Statistics (INSEE) in its latest quarterly report.

Industrial production, which stagnated throughout 1977 before jumping sharply in November, is forecast to rise by 3 per cent within 6 months. But the increase will be insufficient to stabilise unemployment once the Government's current measures

to create new jobs, which will have reduced the number of jobless by about 100,000 by the end of this month, have worked themselves out.

The implication of the Institute's findings is that the Government will have to adopt new steps to combat unemployment in the near future.

According to INSEE, industrial production will be stimulated by a rise in household consumption (particularly of

durable goods such as motor-cars) of 1 per cent per quarter until at least the middle of 1978, and by a moderate increase in the demand for French exports.

As a result, total demand for finished goods is expected to increase at an annual rate of between 4 and 5 per cent between the last quarter of 1977 and the second quarter of the current year.

## PORTUGAL'S NEW GOVERNMENT

## Hard tasks facing an 'unnatural marriage'

BY DIANA SMITH

LISBON, Jan. 20.

"I HAVE a tremendous surprise for you all," Sr. Mario Soares told the Press last night as he emerged from the presidential palace. "I've been appointed Prime Minister."

Sr. Soares' irony raised not even a smirk from journalists who are as numbered as the Portuguese public by six weeks of often-obscure bargaining between the two sides in the formation of what most people would call a coalition Government.

Neither Sr. Soares nor the Centre Democrats who have to together to tackle Portugal's straitened economic crisis from now on, care to use the word "coalition." The Government calls itself a "Socialist base with Centre Democrat personalities," implying that the Centre Democrats have not entered as party representatives but as individuals.

Nevertheless, the two parties have signed a formal agreement, binding the Centre Democrats to support the Socialists in Parliament while it lasts — in theory, until 1980.

ments deficit (now \$1.2bn.). This admits that Portugal needs massive foreign financing, which depends on a stabilisation programme agreed with the IMF.

Now that there is a Government, the IMF team, which has been waiting since November for Portugal's political situation to sort itself out, is expected to return to Lisbon soon and pick up the threads of talks on a \$50m. urgent stand-by credit and a medium-term \$750m. credit.

Although Socialist and Centre Democrat economists alike have wonced at IMF recommendations that credit be tightened to reduce consumption and control inflation, tightened it will be.

Yesterday the Bank of Portugal announced "strict control of expansion of internal credit, especially that which has the most impact on imports." Credits for exporters are excluded but, as the Socialist-Centre Democrat plan admits, it will take some time before Portugal can increase her rapid exports and find new markets.

The Portuguese can expect an austere 1978. Wages, which have lost 18 per cent in real value in 1978, will be held to a 20 per cent increase — and, the Govern-

ment hopes, inflation will be held to the same figure.

A sarcastic response to the new Government has come from Sr. Alvaro Cunhal, secretary-general of the Portuguese Communist Party, who strove for a separate agreement with the Socialists — not, however, including the Centre Democrats — establishing labour peace in return for guarantees for the radical and reform and workers' right to strike.

The agreement failed over the Centre Democrats' objections. Despite public assurances by Sr. Soares and Sr. Cunhal that their two parties will still try for an accord, it is now unlikely to happen.

Sr. Cunhal has called the Socialist-Centre Democrat agreement an "unnatural marriage" which will drag the Socialists to the Right and threaten democratic freedoms in Portugal.

However, it appears that, despite public protests at the "marriage," several Communist leaders are privately not displeased with it — they feel it will demote Socialist ranks, be rapidly unworkable, force Portugal into elections, and, by the end of this year and pick

up massive votes for the Communists.

Portuguese workers have already felt the economic pinch badly: the Communist Party has taken up the cudgels on their behalf. It has also kept the industrial scene calm, discouraging strikes throughout 1977, roundly condemning "wildcat" strikes like the eight-day stoppage of Portuguese airline pilots and cabin staff that lost the airline several million dollars in December.

Although they reject "Eurocommunism" and remain faithful to Moscow, Portuguese Communists have changed their tune and tactics since the revolutionary days of 1976. Now they follow democratic rules, now respect for private enterprise "as long as it does not swamp the public sector" and criticise Portugal's application to join the EEC not on ideological grounds (publicly at least) but because, they say, it will ruin a country in no position to join Europe on an equal footing.

They are a powerful force, politically and industrially, but it is felt they will not seek disruption unless it can be used profitably.

## GENERAL INFORMATION

Trust also. The aim is to provide a portfolio designed to achieve a high income from stocks and bonds. Units are sold at 10p. Units may normally be bought and sold on any working day. However, in exceptional circumstances the Unit Managers may be instructed to suspend price quotations pending their resolution.

And to sell. The Managers will normally buy back units, from registered holders, free of commission, at not less than the bid price calculated on the day your instructions are received. In accordance with a formula approved by the Department of Trade, they may also be sold back through an authorised agent who is entitled to charge commission. Payment is normally made within seven days of our receiving your instructions.

Safekeeping. The trust is authorised by the Secretary of State for Trade, and is a "wider-range" investment under the Trustee Investments Act, 1961. The Trustee is Bank of Scotland who holds the title to the trust's investments on behalf of the Unitholders.

## HIGH RETURN UNIT TRUST

The fund is currently invested in the UK market and its objective is to provide a portfolio designed to achieve a high income from stocks and shares. An investment in the fund ensures that your capital is under the continuous supervision of professional fund managers, who take care of all the day-to-day administration, including stock selection and research.

Against this background we expect corporate profitability to continue to improve and dividends to show an attractive rate of increase. One trust well placed to benefit from this situation is our High Return Unit Trust; with a gross yield currently of 8.74%,\* it offers an opportunity to secure a high immediate income together with prospects of capital and income growth in the long term.

However providing average settlements are kept within reasonable limits, and the Government is certainly determined in its attempt to achieve this, we believe the prospects for the medium term are most encouraging. The recent reflationary measures should have a positive effect on consumer spending, while North Sea oil will continue to have a beneficial effect on the UK balance of payments.

Improvement in confidence in the UK economy. With the prospect of reasonable economic growth in 1978, it is our belief that now could be a favourable time to invest in UK shares at attractive yields and prices.

In the short term, the volatility seen in the last two or three months, is likely to continue in the immediate future, partly as a result of the effects of the recent freeing of the pound, and more particularly because the market is still very sensitive to the current round of wage negotiations. Even now it is early days in terms of the number of settlements made.

Save & Prosper is the largest UK unit trust group and also offers a wide range of investment and insurance plans tailored to meet most financial needs.

Founded in 1934, the Group currently manages over £750 million for 700,000 investors.

How to invest

To make a lump-sum purchase, please complete and return the coupon below together with your cheque. You will be allocated units to the full value of your remittance at the offer price ruling on receipt of your application. The minimum initial investment is £250.

For information on regular savings or on our Share Exchange Plan, please complete and return the coupon below, ticking the appropriate box.

If you require any further information on the fund, we suggest you consult your professional adviser, or contact our Customer Services Department at the address given below.

\*estimated gross yield at 18th January 1978

Application for a lump-sum purchase of

HIGH RETURN UNIT TRUST

Save & Prosper Securities Limited, 4 Great St. Helens, London EC2P 3EP. Tel: 01-254 8888.

Registered in England No. 783728. Registered office as above.

To purchase units please complete and return this form, either directly or through your bank, stockbroker, solicitor, accountant or qualified insurance broker, together with your remittance. We will acknowledge receipt of your application and remittance and will normally despatch a certificate for the units within 14 days. Cheques should be made payable to "Save & Prosper Securities Limited". (Insert amount of remittance)

Please issue to me units in High Return Unit Trust to the value of £

on receipt of the application. (Minimum initial purchase £250, £50 for subsequent purchases). A remittance is enclosed.

My name is

Full Name(s)

BLOCK CAPITALS PLEASE

Address

Agree's Stamp

I declare that I am over 18 and am not resident outside the UK or other Scheduled Territories and that I am not accepting the above units as the nominee of any person resident outside these Territories. (If you are unable to make this declaration it should be signed and dated by a person domiciled through your UK bank, stockbroker or solicitor.)

Signature

Date

Enclose High Return Unitholders notice form.

If you would like details of our regular savings plan please tick here.

If you would like details of our Share Exchange Plan please tick here.

For Office Use Only

404/FT/1

SAVE & PROSPER GROUP



## OVERSEAS NEWS

## ANTI-BOYCOTT LAWS

## Companies face jungle of Middle-East regulations

BY DAVID BELL

Final regulations that will govern the way in which U.S. companies comply with anti-Boycott Act legislation passed last week went into effect today as they were issued by the Commerce Department.

The rules have been drawn up after great care and after extensive consultation with supporters and opponents of the legislation. But they are likely to face prolonged challenges in the courts as companies seek to get an even clearer idea of what they mean.

The Commerce Department has issued a lengthy summary of the major clarifications that have now been made to the key provisions of the Anti-Boycott Act. This clarification, the department says, is available in the department.

## Subsidiaries

The Export Administration Act, which covers the boycott law, was amended in 1977 to include the anti-boycott legislation. It says that the new law covers foreign subsidiaries of U.S. companies "controlled" by such U.S. companies. The definition of this control was left to the regulations.

These new lay down that, while it is difficult to be sure that a U.S. company that has more than 50 per cent of a subsidiary actually controls it, the rules establish a rebuttable presumption of control where the domestic concerns own or controls more than 50 per cent of the foreign subsidiary or affiliate. Further, the final rules state: There is a rebuttable presumption of control where the domestic concern (U.S.) owns or controls more than 25 per cent of the voting securities of the foreign subsidiary or affiliate and no other person owns or controls an equal or larger percentage.

The rules note that all these presumptions of control "may be rebutted by competent evidence showing that control does not in fact exist."

## U.S. commerce

This covers only actions within "United States commerce" and says that U.S. controlled subsidiaries in a boycotting country are acting "within U.S. commerce" if goods supplied to this country are used to complete a transaction with a boycotting country.

Objectors had argued that "U.S. commerce" should end at the point at which U.S. goods reach a foreign subsidiary operating in a boycotting country. The rules reject this although they provide important exceptions (see below). The original regulations also provided that if any part of a transaction were "within U.S. commerce" that would make the whole transaction "within U.S. commerce" and thus under the purview of the regulations.

The final regulations modify this and allow the provision of "ancillary services" such as banking by U.S. companies. They say that "a foreign subsidiary's receipt of such services does not, in and of itself, bring the subsidiary's otherwise foreign transaction into U.S. commerce."

However the final rules draw a distinction between such services as accounting, financial, legal and other services furnished to a controlled subsidiary of a U.S. company and services which are offered to a boycotting country customer.

Architectural or engineering services provided by a U.S. company in connection with a U.S. controlled foreign subsidiary's construction project in a third country are passed through to the subsidiary's customers and as such bring the subsidiary's transaction in the third country into U.S. commerce, says the department in a controversial passage.

## Information

The regulations carry forward the act unchanged in respect of information. "No information about business relationships with blacklisted persons or boycotted countries may be furnished with intent to comply with, further or support a foreign boycott. It makes no difference whether the information is publicly available. The statute makes no exception for such circumstances. So long as the necessary intent exists the furnishing of such information is a violation of the law."

## Intent

This is likely to be the most important part of the rules. The Act says that for the boycott law to be infringed a person or company must "take action with intent to comply with, further or support an unsanctioned foreign boycott."

The final regulations define this much more closely and lay down that intent exists if complying furthering or supporting the boycott "is at least one of the reasons" for a company's action. The rules add "the fact that an action is taken for legitimate business reasons does not move that action from the scope of those regulations if compliance with the boycott is also a reason for the action."

However, the department also notes that intent is very difficult to pin down. "If a person receives a request to supply certain boycotted goods, the person, who knows the statute proscribes and he knowingly supplies that information in response he clearly intends to comply with that request. It is irrelevant that he may disagree with or object to the boycott itself."

But, the department goes on, "if he refuses to do business with someone who happens to be blacklisted, but the reason is because that person produces an inferior product the requisite intent does not exist."

## Selection

The act allows U.S. companies to comply with a specific request by a boycotting country that a certain company be used even if that request is made by boycott reasons. The regulations attempt to prevent companies from providing lists of possible subcontractors, for example, which leave out companies that have been placed on the Arab boycott list.

The rules say that U.S. companies may provide so-called "pre-selection services" to boycotting customers and that these "do not destroy the unilateral character of another person's selection so long as that other person or company is the one that makes the selection in fact and as long as those services are not provided in order to help that person (or company) make a boycott-based selection."

The department notes that to have prohibited such pre-selection services "would drive boycotting country buyers into the hands of foreign suppliers of pre-selection services who might

WASHINGTON, Jan. 20.

## Product identity

The Act requires that there should be no attempt by U.S. companies to conceal the origin of products they import into a boycotting country. It says that "the origin of the products must be specifically identifiable at the time of their entry into the country. The test for such 'identifiability' is whether it is 'generally possible in the normal course of business for the buyer or customs agent or similar official to identify the supplier or manufacturer of a particular product or component by inspection of the product itself.'"

## Compliance

The Act also allows a bona fide U.S. resident of a boycotting country to go along with that country's boycott laws. This is in respect of his activities exclusively within that country and with respect to the import of products for the use of himself or of a company.

The final rules draw a clear distinction between two kinds of imports. They say that U.S. anti-boycott legislation will apply to any company that simply imports goods for subsequent re-sale. But it will not apply if a company imports goods which are then incorporated as a functional part of another product or project.

The proposed rules did not draw such a clear distinction and this is intended to prevent companies from getting round the Act by acting as procurement agents for another company. This exception does not, however, apply to services.

## Residence

Clearly the definition of a bona fide U.S. resident of a foreign boycotting country (whether an individual or a company) is of key importance. The final regulations lay down nine criteria for defining who is, and is not, such a foreign resident. They also provide strict definitions of whether the import of goods is for the "own use" of such a resident.

The department warns that "use of this exception will be monitored and continually reviewed to determine whether its continued availability is consistent with the national interest. Its availability may be limited or withdrawn as appropriate."

Finally the regulations attempt to deal with the myriad ways in which companies may seek to evade the act. This final passage of the department's accompanying statement deserves to be quoted at length.

"Use of dummy corporations or other devices to mask prohibited activity will also be regarded as evasion. Similarly it is evasion to divert specific boycotting country orders from U.S. parent companies to their foreign subsidiaries for the purpose of complying with the prohibited boycott requirements... in all potential cases of evasion the facts and circumstances of an arrangement or transaction will be carefully scrutinized to see whether appearances conform to reality."

Final rules, to implement Title II of the Export Administration Amendments of 1977 (Public Law 95-623, Commerce Department, Washington, DC 20530).

## Mixed reception for Carter address

By Jurek Martin, U.S. Editor

WASHINGTON, Jan. 20.

PRESIDENT CARTER's first State of the Union speech last night was generously received by both houses of Congress with frequent applause as he delivered it, but political reaction to its contents was mixed and by means along predictable party lines.

Although it concentrated on economic affairs, the speech touched many subjects, domestic and foreign, and those which were lightly touched on in the speech itself were fleshed out in an accompanying 50-page message to Congress.

His remarks, at the opening of a new textile mill, follow the statement by Mr. James Callaghan, the Prime Minister, in the Commons earlier this week that the Government would resist any attempt by the EEC to block further measures after the end of March.

The need for continuing support for employment, particularly in textiles and clothing, is being stressed in the North 18 months ago the one of its older mills in the isolated town of where a large number of jobs

Rather, it sought to leave the impression that Mr. Carter was maturing as a manager of the nation.

Several Republicans approved of the essentially conservative economics it espoused, in its proposed tax cuts, tight budget and pledge to reduce bureaucratic paperwork. Sen. Barry Goldwater even commented that he had made the same speech in 1964 (when he was running for President) and "got the bell beat out of me."

Sen. Howard Baker, the Republican majority leader, applauded some of Mr. Carter's comments but added that the administration "provided no new directions or insights into what the Administration will do to deal with the problems."

A number of Democrats and Republicans also complained that Mr. Carter offered nothing detailed or new in his exposition, a criticism that may be a little unfair in the light of the popular view that he has been offering too much.

Sen. Robert Byrd, the Democratic leader, also demurred from the President's contention that "we have failed the American people" by not producing an energy bill. Sen. Wellaker, the liberal Republican, took a different view, complaining that Mr. Carter was still not exerting the right kind of executive leadership to break the energy impasse.

Congressman Tip O'Neill, Speaker of the House, thought the President was "right on the mark" on energy.

The tax cut proposals were generally welcomed in principle by all except Liberal Democrats. Congressman Henry Reuss, who wants more spending as opposed to tax reductions, muttered that the whole speech was far too Republican. But it is clear that there is some division in Congress over both the size and the nature of the President's plan.

Mr. Carter may well have been encouraged by the volume of applause he received when he urged senatorial ratification of the Panama Canal treaties.

## Blizzard brings New York to halt

A HUGE overnight storm which deposited up to 15 inches of snow along parts of the north-east coast of the United States brought New York virtually to a halt yesterday, forcing the closure of many offices and delaying the opening of the New York and American stock exchanges.

Thomas O'Neill

arguing that they alone have the expertise to film the proceedings. Major commercial networks, ten national news organisations and two or three television networks have formed the Coalition for Professional Broadcast Coverage of the House Floor to argue their view that legislators should be making the news, not covering it. The leadership's reluctance to become TV stars has apparently prevailed over the majority opinion. A 1976 poll of House members showed a majority in favour of network coverage. Republican Congressman John Anderson has claimed that if the House was allowed a clear vote, a majority would agree that the professionals should do the broadcasting.

The broadcasts could produce a hit with House members. They may ultimately look with favour on the cameras as a source of free publicity, knowing that their next expensive campaign is no less than two years away. Lawmakers have reported a generally favourable response to the experience of televising state legislatures.

Some Congressmen fear the broadcasts will encourage playing to the unseen audience and could produce new stars among the more television members. On the other hand, it could arouse more public interest for national issues and a better understanding of the complexities faced by Congress.

Of course the series could be cancelled in three months because of poor ratings.

Three colour cameras would be aimed at only three spots in the House floor where action takes place. No panning would be permitted, nor would the cameras show the giant-size illuminated scoreboard which shows each member's name and vote during roll calls. The film would then be made available, unedited, to accredited radio and television stations.

The networks, of course, are pushing the first alternative,

## HOME NEWS

## Varley stresses need for jobs subsidy

BY RHYS DAVID

BRITAIN'S determination to continue employment aid to hard-hit industries when the temporary employment subsidy ends in two months was stressed yesterday by Mr. Eric Varley, Industry Secretary.

Mr. Varley, speaking in Bury, Lancashire, told the Government believed there should be a successor scheme. It would be pursuing vigorously the case for continued aid with the EEC Commission.

His remarks, at the opening of a new textile mill, follow the statement by Mr. James Callaghan, the Prime Minister, in the Commons earlier this week that the Government would resist any attempt by the EEC to block further measures after the end of March.

The need for continuing support for employment, particularly in textiles and clothing, is being stressed in the North 18 months ago the one of its older mills in the isolated town of where a large number of jobs

is being maintained under the of Rosendale, Lancs, was structurally unsound.

The company examined alternatives, including closure of the mill and the transfer of production to other plants in Bury and South Wales.

Because of the impact on employment in the town, which already has a high rate of unemployment, the company decided to go for the somewhat more costly option of rebuilding the mill completely at a cost of £300,000 to save 60-70 jobs.

Mr. Varley praised the co-operation between management and employees which had made the rebuilding possible without any break in production.

Felt manufactured by Bury and Masco is used as display material in shops and exhibitions, and in a number of other areas from filtration to felt-tips. It is also used for soundproofing and soundproofing of factory machinery.

## Commission to study Southalls' price rises

By Elinor Goodman, Consumer Affairs Correspondent

THE Price Commission is to study sanitary protection prices for the third time. It announced yesterday that it intended investigating price rises proposed by the Smith and Nephew subsidiary, Southalls.

Southalls is the market leader in sanitary protection with products like Kotex, Lillia and Lillies.

The present Commission's predecessor investigated the whole sanitary protection market in 1975, and recommended dropping the system of manufacturers' suggested retail prices, as this resulted in prices being higher than necessary.

The manufacturers agreed to change their pricing system, and when the market was studied again, it was found that retailers' profits on sanitary protection had fallen as a result of the dropping of recommended prices on the majority of brands.

The reference is in line with the new Commission's policy of investigating price increases notified by companies with a dominant market share.

Technically, Southalls' prices could be frozen during the three-month investigation, but in practice, the companies have been able to implement at least part of the proposed price rise by applying for an interim increase under the profit safeguards written into the new price controls.

## Belfast yard branches out

By Our Belfast Correspondent

HARLAND and Wolff, the Belfast shipbuilding company, has launched a range of motorcycle accessories.

The State-owned yard has established a subsidiary, Hawk products, to market parts manufactured by its own staff.

They include glass fibre fairings, chromium-plated handlebars, carriers and crash bars.

The company said that the accessories were a result of its desire to diversify. A marketing agreement was near completion with Suzuki to market accessories in the U.K. using the Hawk brand name.

The company is also investigating a Canadian and European markets.

## Rise likely in package tour prices

By Christopher Dunn

A SHARP RISE in the cost of British package tours abroad is expected to be announced today.

Prices could rise by as much as 25 per cent, said Mr. Ivor Elms, chairman of the Association of British Travel Agents' Retail Agents Council, in the Travel Trade Gazette.

Fewer aircraft seats available for charter is a major factor behind the forecast price rises. The shortage of seats has arisen from redeployment by a significant number of airlines of aircraft to other duties.

"The shortage is not going to resolve itself by 1979. It means that the price of charter seats will go up beyond inflation," Mr. Elms said.

Hotel prices in Spain, Italy and Portugal would also rise to reflect high rates of inflation in those countries, now running at more than 30 per cent.

A stronger pound may not help to offset these problems by keeping prices down.

## Mersey rail link plea by councils

REPRESENTATIVES of three county councils, Merseyside, Cheshire and Clywd, agreed yesterday to ask Mr. William Rogers, Secretary for Transport, to receive a joint deputation to discuss the future of the passenger railway between Birkenhead and Wrexham.

## Price of some beers to be increased by 2½p a pint

BY KENNETH GOODING

THE McEwan William Younger and Newcastle Brown group (Scottish and Newcastle Breweries), is to increase some beer prices by 2½p a pint on January 30.

And the Sunderland-based group, Vaux, has told the Price Commission it intends to raise prices on February 12, provided the Commission does not order an investigation.

Vaux intends to restrict the increases to 1p a pint in its English outlets, but in Scotland, where the group operates under the Lorimer's banner, the price will rise by 2p.

Vaux has pointed out to the Commission that recent wage settlements, although within the Government's guidelines, have

added nearly 1p to the cost of producing a pint of beer. Scottish and Newcastle has assured the Commission that it will not make any further price increases before October, 1978.

Beer prices will go up between 1½p and 2½p a pint in Scottish and Newcastle managed houses, a 6½ per cent addition to wholesale prices and a 6.35 per cent lift in the retail level.

There will be a 2p "nlp" increase in spirit prices in the company's houses, as well as a 5 per cent average addition to the cost of food and accommodation.

Beer drinkers can expect most of the major brewers to raise prices within the next few weeks. Allied Breweries will lead the way next Wednesday with a 2p-a-pint addition to its products.

## Guillotine row taken to Labour executive

BY PHILIP RAWSTORNE

LEADING LABOUR anti-Marketisers will call on the party's National Executive Committee on Wednesday to join the opposition to the Government's plans to guillotine the European Direct Elections Bill.

Mr. Eric Heffer, former Industry Minister, said yesterday that he intended to put an emergency motion to the executive meeting on the issue.

A special meeting of the Parliamentary Labour Party has already been arranged for Tuesday to debate a motion calling on the Government to

abandon its plans to introduce a timetable for the Bill in the Commons on Thursday.

Mr. Heffer warned yesterday that the row over the guillotine could damage the party's election prospects.

He said: "I think it is regrettable that, at this moment, when it is quite clear that the Government, as far as financial policy is concerned, is doing rather well and when support is swinging back, we have to have an argument over something which is not Labour Party policy. It is not going to help the situation."

## British Concordes carry 55,000 in two years

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

MORE THAN 55,000 passengers have been carried on British Airways Concorde services in the two years since supersonic operations began on January 21, 1976.

Commenting on the second anniversary of Concorde flights, the airline said yesterday that during the two years punctuality and reliability had been good and the number of seats sold had averaged 30 per cent, the highest percentage being on the transatlantic service.

Concorde flights to Bahrain began two years ago today, with flights to Washington starting in May, 1978, flights to New York starting last November, and week from the same date.

## Welsh airport changes name

GLAMORGAN (Rhoose) Airport is to be renamed Cardiff (Wales) Airport from February 1, the airport management committee agreed yesterday.

"The problem with the old name is that few people outside Wales have any idea where the airport is," said Mr. Edward Maloney, airport director.

Shells, BP and 27 other oil companies are being sued by Llanrhondda and its Rhondda Cynon Taff borough for alleged conspiracy and breach of contract. Llanrhondda claims about £100m. damages.

## Sunday postal services may be restored

BY JOHN LLOYD

SUNDAY postal services may be reintroduced in the near future, Sir William Barlow, the Post Office chairman, said yesterday. Sir William's announcement is the first public declaration he has made of an intention he has had privately since becoming chairman in November.

Speaking in Leeds, he confirmed that postal profits would be about £12m in the current year, about half of last year's figure.

The Post Office's main aim was to increase services to its customers. The possibility of re-starting Sunday services was one option under consideration. Another was the possibility of making modest concessions on Christmas mail.

Profits fall

The expected halving of postal profits was "not very significant," Sir William blamed the fall on inflation and said that the profit margin was very thin.

On price rises he declined to extend the commitment that there would be no price rises beyond April. The Union of Post Office Workers, with 200,000 members, had a wage claim on the table but the Post Office would all could to avoid a price increase.

"If there are to be any increases, they will be kept to an absolute minimum."

However, it seems likely that even if the Post Office does settle for the 10 per cent, normal, the resulting increase in costs, coupled with inflation, will force a price rise on letters and parcels.

## U.K. launch for Saab turbo car

By Terry Dodsworth

SAAB, THE Swedish car manufacturer, will launch its new 760 turbo-charged model in the U.K. in March.

The Saab three-door coupe body, is attracting a great deal of interest in the industry because of its performance.

Saab claims virtually the same fuel consumption but sharply improved acceleration and speed from use of the turbo-charged engine. This is based on the company's two litre engine with an additional turbo-charger driven by the exhaust gases. The car has a maximum speed of 120 m.p.h. and accelerates from rest to 60 m.p.h. in less than nine seconds.

In the past, the main problem with using turbo-charging in cars—the principle is used extensively for commercial vehicles—has been the lengthy cut-in period after activating the system.

The Saab Turbo will be marketed only in black.

## Yorkshire Bank deal

YORKSHIRE BANK is continuing its expansion programme by taking a leasehold interest in a large part of the former British Home Stores property at Riggall Street, Newcastle upon Tyne, for use as a new branch. A long-term full repairing and insuring lease has been agreed at a rent approaching £20,000 a year with five-yearly reviews.

The order will not affect this week's announcement of redundancies in the company. Sir Charles Hardie, the company's receiver, said a quarter of the 280 employees would lose their jobs.

Redundancies were necessary if he was to sell the company as a "going concern," he said.

Britten-Norman is an aviation group subsidiary of the Fairley Company. Losses at the St. Gium Fairley SA works forced the company to call in the receiver last October.

Since then, 32 aircraft have been sold, all to individual customers.

Mr. Justice Brightman has been asked by Shell and BP to rule that the action against them should be stayed, and the dispute dealt with by arbitration rather than by public litigation.

Tate

ANTONY TH

## Televising Congress: the networks go for realism

BY NANCY DUNNE IN WASHINGTON

U.S. BROADCASTERS are getting jittery because their rating services have reported that Americans are watching less television this year than last. The average viewer is now said to be consuming only three hours and 45 minutes a day.

Always searching for the magic formula to attract viewers—preferably every waking hour of the day—the commercial network have been manoeuvring and manipulating schedules and creating and cancelling shows, all to no avail. In recent "seasons" banal situation comedies have given way to "adult" comedies; silly, stereotyped white family shows have been replaced by silly, stereotyped black family shows; series have been supplanted by mini-series; movies have made way for "televised" (second-rate) "novels."

The public is nevertheless apparently beginning to discover it has other things to do. So what will the broadcasters try next? In desperation, they could go in for "real-life" "realism." Filming is now being permitted in 44 State legislatures and, on an experimental basis, in some courts. Last September, Florida viewers were fascinated by the homicide trial of a 15-year-old boy. His (losing) defence, coincidentally, was that he had been spurred to violence by watching television crime shows.

A leading attraction of the realism line-up could be telecasts from Capitol Hill, where the House of Representatives has for

some years been inching toward permitting television cameras on the hallowed precincts of the House floor. The Senate is still hesitant about permitting daily broadcasts, but may flip its Panama Canal debate this year.

Broadcasting of floor proceedings has long been resisted by Congressmen, who fear that close-up shots of dozens of members or of hecklers or of a near-empty chamber would not be well received by their constituents.

But the popularity of the televised 1973 Senate Watergate committee hearings, which gave star status to Senator Sam Ervin and brought the minority leader, Senator Howard Baker, to national attention, did not go unnoticed.

The subsequent, and more dignified House impeachment hearings were even better received. By 1975 the Roger Organisation found that some 50 per cent of the public wanted at least some TV coverage of Congressional debates.

Propelled by public opinion, broadcasters and several Congressmen, the House last year finally agreed to allow full coverage of proceedings starting early this year. However the controversial question of who will operate the cameras was left to Mr. Thomas P. O'Neill, Jr., the House Speaker.

The Speaker is less than enthusiastic about the introduction of cameras on the House floor. He claims that it could be a terrible mistake to take

from the members of the Congress. From the leadership, and give to national broadcasting the control of the House. He worries that House proceedings might eventually be converted off for commercial interruptions, as is now the practice in nationally televised football games.

His greatest concern, however, was reportedly expressed in remarks to the House rules committee: "If you think the public's rating of Congress is low now, just wait till we get TV."

In any case filming will proceed, and Mr. O'Neill is said to be considering three alternative proposals and leaning toward the third.

Contracting with a network pool of broadcasters for coverage of all floor proceedings, to be made available to the House and all radio and television stations. Arranging a similar contract with public broadcasting—or unlikely solution because of the high costs.

Designating House employees to run the cameras and tightly control coverage.

Three colour cameras would be aimed at only three spots in the House floor where action takes place. No panning would be permitted, nor would the cameras show the giant-size illuminated scoreboard which shows each member's name and vote during roll calls. The film would then be made available, unedited, to accredited radio and television stations.

The networks, of course, are pushing the first alternative,



Thomas O'Neill



## HOME NEWS

# 'Anti-Grunwick' Bill is past Second Reading

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A CONTROVERSIAL Private Member's Bill which makes it more difficult for employers to refuse to co-operate with the Advisory Conciliation and Arbitration Service was given a Second Reading in the Commons yesterday by a majority of 14 (258-242).

The main purpose of the measure is to prevent a court overturning a ruling of ACAS in union recognition disputes, as happened in the case of the Grunwick dispute.

In that instance ACAS ruled that the Association of Professional Executive Clerical and Computer Staff should be recognised at Grunwick. But the House of Lords later overruled this on the grounds that ACAS had not taken all possible steps to ascertain the views of Grunwick workers.

## Tory anger

The Bill would prevent such a situation arising in future by stipulating that ACAS would have to ascertain the views of workers only to an extent which was "reasonably practicable".

The legislation, the Employment Protection Bill, received the full backing of the Government in the Commons but ran into furious opposition from the Conservatives.

The main anger of the Tories was directed against a clause in the Bill which states that ACAS need only consult a certified trade union to obtain the views of the workers.

It would not have to consult staff associations or bodies which Mr. Ted Fletcher (Lab., Darlington), chairman of the Left-wing Tribune Group, and sponsor of the Bill, described as "sweet-heart unions".

The Liberals did not support the Government in yesterday's vote. They abstained after Mr. David Steel, the Liberal leader,

said that they found the clause on certified unions "controversial and objectionable".

In spite of the comfortable majority, the chances of the Bill becoming law remain doubtful. It can be held up by lengthy debate in the committee stage and probably throw out the clause on certified unions.

Tory peers are unlikely to vote against it on Second Reading, but will give it a rough passage in the Lords committee stage and probably throw out the clause on certified unions.

Mr. Albert Booth, the Employment Secretary, wants the Bill on the Statute Book by the end of July. By that time Parliament will be rising for the summer recess, and if the Bill has not received a Third Reading it will fall altogether.

Mr. Booth told the House that the Government thought the Bill was necessary to prevent Grunwick-type positions arising in the future. It would prevent a few bad employers exploiting loopholes by means of legal decisions, to ascertain the views of workers only to an extent which was "reasonably practicable".

The legislation, the Employment Protection Bill, received the full backing of the Government in the Commons but ran into furious opposition from the Conservatives.

The main anger of the Tories was directed against a clause in the Bill which states that ACAS need only consult a certified trade union to obtain the views of the workers.

It would not have to consult staff associations or bodies which Mr. Ted Fletcher (Lab., Darlington), chairman of the Left-wing Tribune Group, and sponsor of the Bill, described as "sweet-heart unions".

The Liberals did not support the Government in yesterday's vote. They abstained after Mr. David Steel, the Liberal leader,

## Bank may alter system for fixing MLR

BY MICHAEL BLANDEN

CHANGES IN the system of fixing the Bank of England's minimum lending rate, the main key to the general level of short-term interest rates, are being considered in the Bank and the Treasury.

No specific proposals have been made on what system could replace the present arrangement which links the level of MLR to the market through the rates established at the weekly tender for Treasury bills on Fridays.

The authorities are examining whether an alternative system could be introduced in the light of the problems and disadvantages which have emerged under the present arrangement.

## Lloyds cuts personal fixed-rate loans cost

BY MICHAEL BLANDEN

LLOYDS BANK is cutting the cost of its personal fixed-rate loans, in line with general reductions in interest rates during the past few months.

From Monday the interest rate on new personal loans over a two-year period will come down to a true rate of 14.7 per cent. from the previous 16.7 per cent. This

is equivalent to a reduction in the flat interest rate on the initial amount of the loan from 8½ per cent to 7½ per cent.

The bank said the true rate will depend on the repayment period, which can vary between six months and three years.

The move follows similar changes made by a number of the other big banks.

## Fraud gang 'got \$190,000 from Kuwaiti bank'

THE MOVEMENTS of men operating a multi-million pound forged bank draft fraud—which could undermine the world's banking system—could be pieced together like a jigsaw puzzle an Old Bailey jury was told yesterday.

Mr. Kenneth Richardson, prosecuting, referred to evidence from dossiers built up by detectives and to an album of 300 photographs—a selection from 6,000 taken secretly.

In the dock are Andre Biro, 32, Francesco Plocco, 48, Henry Oberlander, 51, Emil Fleischer, 57, and Jorge Melendez, 55, all of London, and William David Ambrose, of Esher, Surrey.

They plead not guilty to six charges of conspiracy, relating to plots to defraud banks, companies and businesses by the use of forged bank drafts and identity documents; to forge the drafts and to utter them with intent to defraud.

In all, 40 banks were defrauded but Mr. Richardson said: "If we can prove what was going on with the drafts in relation to seven or eight banks then it is an inescapable inference that something similar was going on in relation to the remainder."

He told the jury of two specific frauds. The first was

to defraud Lebanese refugees hoping to exchange local currency into dollars, and the second was to undermine a businessman in Spain over a land deal with forged bank drafts by pretending it was for an oil-rich Arab sheikh.

The second fraud was foiled when the landowner offered to exchange the \$2m. forged draft for cash.

Among the 40 banks said to have been defrauded were the Midland, the Union Bank of Switzerland, the Turgino Bank, the United Bank of Kuwait, the Bank of Montreal and the Chase Manhattan Bank.

Referring to the Bank of Kuwait, Mr. Richardson said: "The gang, whoever they were, got \$190,000 out of this bank. And forged drafts in process of completion found at the Court, the forgers' den in Westbourne, London, and at Ladbroke Grove also related to this bank."

Mr. Richardson also told the jury of other links. He said that a scientific officer had found that one of the forged drafts found at the forgers' den had been printed with the same ink and dye as that on forged drafts actually passed for cash.

The case continues on Monday.

## Tate to show Turner watercolours

BY ANTHONY THORNCROFT

THE TATE Gallery, perhaps reacting to renewed public interest in Turner, has decided to hang 40 of the artist's watercolours in a room next to its extensive display of Turner oil paintings.

It is three years since the Tate showed Turner watercolours, in

this way and in addition to the examples from its huge and unseen stock it is exhibiting four important works on loan from Mr. Brian Fikkington.

These include two watercolours, "Bonnieville" painted in 1808, and "Farney from above Orley," which have not been seen

## Skateboard safety standards to be discussed

By David Fishlock, Science Editor

THE DRAFTING of British Standards for skateboards and associated safety equipment such as helmets and pads is to be discussed at a British Standards Institution meeting in London on Monday.

Delegates from the Department of Prices and Consumer Protection, in particular, has overcome the former reluctance of the BSI to contemplate Kitemarks for skateboards.

Those expected to attend include some of the main skateboard manufacturers, major retail sports goods suppliers, and the British Skateboarding Federation, a group of organisations interested in the sport.

In discussing such a meeting, the Prices Department has been supported strongly by those who point to the high stresses to which the components of skateboards are subjected, and to the fact that the sport did not "arrive" until materials development had caught up with some of those stresses.

## Hidden dangers

This was the case especially with the wheels, but other components and the overall design of the skateboard have not always come up to the same standard.

This was disclosed last month, when the Royal Society for the Prevention of Accidents released a report called "The Hidden Dangers," prepared by scientists with the Fulmer Research Institute.

The Fulmer study, investigating the skateboard's critical components, said that, ideally, approved materials and their processing and inspection should be controlled in the same way as safety-critical aircraft and car parts.

As an interim precaution, until such standards could be laid down, it proposed a rough-and-ready test to be performed before purchase and each time before a skateboard was used, in which a man jumped several times on the deck of a firmly anchored skateboard.

Not all standards exist yet for skateboard safety equipment. The Prices Department envisages use of a helmet designed to standards similar to those laid down for racing cyclists. New standards would be needed for knee and elbow protectors.

The Prices Department, although not responsible for laying down standards, has a responsibility for consumer protection "in and around the home," it said yesterday.

Skateboarding, it admitted, was slightly more diverse from its usual activities. But for about a year it had taken an interest in seeing that the equipment was fit for the purpose for which it was being sold.

The Fulmer Research Institute plans to make a testing programme available to the skateboard manufacturing industry, in which for a few hundred pounds "a manufacturer could commission a confidential report on the performance of his products."

It also plans to pool its experience of this kind of equipment in public reports which, while not specifying the manufacturer, would assess different types of skateboard and safety equipment—rather like Whistle reports.

It would make measurements on the ability of equipment to withstand impact, abrasion, emergency braking—"even fire if it's wanted."

The scientists emphasise that in spite of the fact that the accidents caused by the failure of materials or designs is trivial compared with those caused by inexperience.

## BBC plans to brighten Radio Four

By Christopher Dunn

MORE RADICAL changes in BBC Radio Four programmes were announced yesterday by Mr. Ian McIntyre, the controller.

The emphasis in the reshuffle, which begins next month, is on new programmes. From Our Correspondent and Between the Lines, broadcast on Saturday mornings, will be dropped.

Alistair Cooke's Letter from America will return to its old time on Sunday morning, as part of a general plan to live up to broadcasting at this part of the week-end. A half-hour entertainment slot is planned for Sunday morning.

New Saturday programmes include a weekly magazine review presented by Anthony Howard, retiring Editor of the New Statesman and a "correspondence column." There will be a Sunday morning phone-in. Operating expenditure last year at Radio Four was £14m, just under a quarter of the total, £58m. It was the most costly BBC station.

by the public for some time. It is planned to change the watercolours every six months, re-stocking with watercolours from the vaults. The first displayed included many of the private, less formal watercolours that Turner kept in his own collection.

## Dublin faces storm over sacking of police chief

BY GILES MERRITT IN DUBLIN

A POLITICAL storm is gathering in Dublin over the Irish Government's sudden dismissal of Mr. Edmund Garvey, the Police Commissioner.

The leaders of both Opposition parties called yesterday for an immediate explanation, although the Government, considering the legal action it appears that both Garda representative body met and the Government will not refrain from comment that might prejudice a court hearing.

The absence of further state may for the present take the heat out of the affair, but political observers in Dublin thought last night that Fine Gael and the Labour Party might seek to make maximum capital out of the Lynch Government's abrupt and so far unexplained sacking of the Republic's police chief.

Dr. Garret FitzGerald, the Fine Gael leader, wrote to Mr. Jack Lynch, the Prime Minister, demanding an "immediate statement" giving the reasons for Mr. Garvey's dismissal. This is backed by the leadership of the Labour Party.

Mr. Garvey's brief account of being summoned to see Mr. Gerry Collins, the Justice Minister, on Thursday afternoon and given two hours to resign his post, and then being summarily dismissed when he refused, has so far been followed only by a terse official announcement that the Deputy Commissioner of the Garda Síochána, the Irish police, would take command for the present.

Only a week ago the 63-year-old Yorkshire-born Commissioner, appointed in September 1975 by the Cosgrave Government, said publicly: "I hope to reach retirement age—if I am let."

Before Mr. Garvey's decision about legal action speculation over his dismissal continued to revolve round two unresolved matters of police conduct.

The first is allegations that a so-called "heavy squad" operated as an interrogation unit in cases of suspected IRA terrorism. The second concerns fingerprinting irregularities which may have followed finding of a fingerprint in the search for the murderers of the British Ambassador, Mr. Christopher Ewart-Biggs, in July 1976.

## Investment rise likely to be small

By Peter Riddell, Economics Correspondent

A CAUTIOUS VIEW of the prospects for investment this year was given yesterday by the senior economist of the National Economic Development Office.

Mr. David Stout said he expected a rise in the volume of manufacturing investment of 9 per cent. in 1978 against last year, and not much more than this in 1979.

This compares with an increase of between 10 and 13 per cent. in 1978 forecast by the recent Department of Industry investment intentions survey.

Mr. Stout was speaking at a conference for European investors organised by stockbrokers E. B. Savory Mills and Co.

Among the other speakers was Mr. Geoffrey Haydn of Chase Manhattan Bank, who was formerly deputy chief economic adviser at the Treasury. He expected the rise in earnings during the current pay round to be mainly due to inflation.

Mr. Haydn said that the Government would adopt a rolling money supply target on U.S. lines in the next financial year with an upper limit of around 13 per cent.

Mr. Haydn said he did not expect much deterioration in the current account in the next year or so because of the rising contribution from North Sea oil.

The exchange rate was projected to remain fairly strong in 1978. The trade-weighted index should stay around the current level of 66 before slipping back to 64 in the second half of the year.

## Varley asked to maintain Scottish steel output

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH Council for Development and Industry has asked the Government to ensure that the economies being planned by the British Steel Corporation will not mean a reduction in the proportion of total output from plants in Scotland.

A memorandum to Mr. Eric Varley, the Secretary for Industry, from Lord Clydesdale, the council's president, says that a contraction of the steel industry in Scotland could have far-reaching effects.

Investment and employment on the railways, for example, could be reduced since 40 per cent. of rail freight in Scotland came from British Steel business.

The corporation's development programme would give Scotland enough modern plant to be able to maintain the traditional proportion of total output at 15 per cent. without sacrifice of efficiency.

It was also important that Scotland should maintain its share of new investment and should be able to continue moving towards the production of higher quality and special steels.

The commissioning of developments under way at Hunterston and the completion of modernisation at Ravenscroft would enable steel products and special quality plates to be manufactured economically and the electric arc plant at Hallside could produce special quality steel.

Capacity could be increased in special products without massive extra spending, if the direct reduction and electric arc plants at Hunterston remained in the corporation's investment programme.

"We are not asking for grants, merely loan consents. The Government should trust local authorities to use their resources wisely, without excessively close scrutiny," he said.

"I am sorry to be attacking the organisations which are giving me a platform but we feel that the Government has been

## Libya buys Wentworth House



Wentworth House: "restored"

The Libyan Embassy is moving to the former Earl of Stratford's town house in London's St. James's Square, S.W.1, writes John Brennan.

The lavishly restored 17th-century building, Wentworth House, has been on the market since 1976. Agents Knight Frank and Rutley with Herring Son and

law acting for the private developers Monopoly Investments had been asking £2.75m. for a 120-year lease.

The Libyans are reported to have paid "over £2m." for the 20,000 square feet of offices, a large penthouse and a garage big enough to take 11 Rolls-Royces.

## Council borrowing rules 'should be eased'

THE GOVERNMENT should ease financial restrictions on local authorities planning economic development programmes, it was said at a Newcastle-upon-Tyne conference on the future of small companies yesterday.

Gill. Iain McLean, chairman of Tyne and Wear's economic development committee, said that at present, councils were not allowed to borrow sufficient money to finance their own programmes.

"We are not asking for grants, merely loan consents. The Government should trust local authorities to use their resources wisely, without excessively close scrutiny," he said.

"I am sorry to be attacking the organisations which are giving me a platform but we feel that the Government has been

# M&G OFFERS AMERICA

Many experts now regard Wall Street as more attractive than London.

INVESTORS CHRONICLE 9.9.77

... investors who buy units in American trusts in the next few months should be sitting on a reasonable profit by the end of 1978.

DAILY EXPRESS 25.1.77

66 Many experts now regard Wall Street as more attractive than London.

INVESTORS CHRONICLE 9.9.77

... investors who buy units in American trusts in the next few months should be sitting on a reasonable profit by the end of 1978.

DAILY EXPRESS 25.1.77

## TWO WAYS TO INVEST

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ. TELEPHONE: 01-626 4588. This section is to be completed by all applicants.

(1) FULL (NAME(S)) (SURNAME) (ADDRESS) (POST CODE) (90) AG 530138

(2) EITHER £500 Complete this section to make a Capital Investment (minimum £500)

I WISH TO INVEST £ in ACCUMULATION/INCOME units (delete as applicable or Accumulation units will be issued if the M&G American & General Fund at the price rising on receipt of this application. Do not send any money. A contract will be sent to you by post. You will receive a copy of the contract and the terms and conditions of the plan. I agree to pay the full amount of the investment by the date specified in the contract. I agree to pay the full amount of the investment by the date specified in the contract. I agree to pay the full amount of the investment by the date specified in the contract.

(3) OR £30 Complete this section if you wish to make a Regular Monthly Saving (minimum £30 a month).

I WISH TO SAVE £ each month in the M&G American & General Fund (delete as applicable or Accumulation units will be issued if the M&G American & General Fund at the price rising on receipt of this application. Do not send any money. A contract will be sent to you by post. You will receive a copy of the contract and the terms and conditions of the plan. I agree to pay the full amount of the investment by the date specified in the contract. I agree to pay the full amount of the investment by the date specified in the contract. I agree to pay the full amount of the investment by the date specified in the contract.

(4) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(5) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(6) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(7) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(8) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(9) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(10) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(11) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(12) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(13) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(14) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(15) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(16) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(17) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(18) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(19) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(20) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(21) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(22) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(23) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(24) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(25) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(26) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(27) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(28) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(29) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(30) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(31) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(32) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(33) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

(34) I enclose my cheque for the first monthly payment, made payable to M&G Trust (Assurance) Limited.

## M&G RECOVERY FUND FROM £10 A MONTH

Widely acclaimed by financial journalists and investment advisers, M&G's Recovery Fund, designed to produce capital growth, ended 1977 as Britain's best-performing unit trust. It also leads over the two year and six year periods. It has a policy of buying the shares of companies that have fallen upon hard times. Many of these companies recover, and through a process of careful selection M&G has been able to bring high rewards over the years to Recovery Fund investors.

This offer enables you to start a Regular Monthly Saving Plan with the Recovery Fund through a Life Assurance policy for as little as £10 a month, and you are normally entitled to claim tax relief at current rates of £17 for each £100 paid. On a £10 Plan, tax relief at present rates can bring down your net monthly cost to only £8.20, with which you buy units worth considerably more.

Regular investment of this type also means that you can take advantage of the inevitable fluctuations in the price of units through Pound Cost Averaging,

which gives you a positive arithmetical advantage, because your regular investment buys more units when the price is low and fewer when it is high. You also get life cover of at least 180 times your monthly payment throughout the period if your age at entry is 54 or under (women 58), and rather less up to 75.

If you cash in or stop your payments during the first four years there is a penalty, and the tax authorities require us to make a deduction, so you should not consider the Plan for less than five years. 81% to 94% (depending on your starting age) is invested except in the first two years when an additional 20 per cent is retained to meet setting-up expenses. After two years, therefore, the amount invested will, in most cases, represent more than 100% of the net amount you pay after tax relief is taken into account.

Investors should regard unit trusts as a long-term investment and not suitable for money needed at short notice.

The price of units and the income from them may go down as well as up.

M&G is a member of the Life Offices' Association.

At the top of the table, as our Unit Trust of the Year in M&G Recovery Fund DAILY EXPRESS 31.12.77

The top performing unit trust of 1977 was M&G Recovery Fund (Assurance) Ltd, which has risen by 115.9%.

SUNDAY TELEGRAPH 1.1.78

To: M&G GROUP LTD, THREE QUAYS, TOWER HILL, LONDON EC3R 6BQ. TELEPHONE: 01-626 4588.

(1) FULL (NAME(S)) (SURNAME) (ADDRESS) (POST CODE) (90) TR 530128

(2) EITHER £10 A MONTH I WISH TO SAVE £ each month in the M&G Recovery Fund.

I enclose my cheque for the first monthly payment, payable to M&G Trust (Assurance) Ltd. I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

(3) I enclose my cheque for the first monthly payment, payable to M&G Trust (Assurance) Ltd. I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

(4) I enclose my cheque for the first monthly payment, payable to M&G Trust (Assurance) Ltd. I understand that this payment is only provisional and that the company will not assume risk until formal notification of acceptance has been issued.

(5) I enclose my cheque for the first monthly payment, payable to M&G Trust (Assurance) Ltd. I understand that this payment is only provisional and that the company will not assume risk until formal notification



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

Telegrams: Finamint, London PS4. Tel: 086341/2, 833997

Telephone: 01-248 8000

Saturday January 21 1978

## Prices and earnings

THE DECEMBER index of retail prices published yesterday shows that steady progress is being made back towards a single-figure rate of inflation. The year-on-year increase in retail prices has fallen steadily since mid-1977 from 17.6 to 12.1 per cent, and even this still understates the real improvement. Setting aside foodstuffs which fluctuate sharply in price for seasonal reasons and putting the progress made during the past six months on to an annual basis, the underlying rate of inflation is now down to 7.4 per cent. If one is to go by price increases notified in advance to the Price Commission, the index (on this latter basis) may not have much further to fall. But the year-on-year increase in which most people are interested is likely not only to reach single figures but to stay there for most of this year.

This prospect, together with the further cut in direct taxation which is hoped for in the spring Budget, may help to keep down price increases—the size of which will largely determine whether or not inflation begins to accelerate again next year. With the miners' decision to accept local productivity bar, a fall in the savings ratio and an associated increase in demand for consumer credit has been suggesting for some time that people were ready to spend, and retail sales in December were extremely buoyant. This may have owed something to tax cuts, of course, but there seems little doubt that there will be a gradual increase in real consumer spending as the year goes by.

## Money supply

Few people suppose that the average increase in earnings during the present round will, on the most optimistic assumptions, be as low as the 10 per cent at which the Government is aiming, but the increase shown in the latest official index is almost certainly misleading. This shows an increase of 4.3 per cent in the first four months since the end of Phase Two, or an annual rate of over 14 per cent. But the large increase that took place between October and November was probably due in part to back pay. The main feature of the present pattern of pay settlements is that they are taking place significantly later than usual, with only 20 per cent of workers covered by major settlements having closed by mid-January compared with 35 per cent in a normal year. This makes it all the more difficult to guess what will happen later.

Until things are clearer, the Chancellor will want to keep his Budget strategy open and

## Trade outlook

With earnings rising and the rate of inflation coming down, real consumer spending power should soon be rising again for the first time in a couple of years. The official figures of the current expenditure show a rise of 3 per cent, between the third and fourth quarters of last year. But the upward trend may since have grown steeper. A fall in the savings ratio and an associated increase in demand for consumer credit has been suggesting for some time that people were ready to spend, and retail sales in December were extremely buoyant. This may have owed something to tax cuts, of course, but there seems little doubt that there will be a gradual increase in real consumer spending as the year goes by.

This has a certain relevance to the trade figures published this week. The balance of payments for the year was a surplus of £58m, instead of a deficit of £1.2bn, and the drop between November and December was due entirely to special factors: the outlook for this year is good. But there are two aspects of the trade accounts, especially for the later months of 1977, which are slightly disturbing. The first is that imports of manufactured goods have been relatively high despite the stagnation of output and demand. As output and consumption demand recovers, the volume of imports may rise steeply. The second is that the growth in the volume of exports has fallen off; average prices have risen sharply, but this can hardly go on with the world trading outlook so unpromising. Though North Sea oil keeps foreign payments in surplus, therefore, the ordinary trading balance may well get worse rather than better this year.

THE REVOLUTION in the watch market is currently more apparent than real, but in the long term will be more real than apparent. The explanation of this is to be found in the impact of the quartz, or electronic, watch, to date, and the inroads it will make in the future. In the past two years, quartz watches have succeeded in taking a significant share of the market, though not as large as their attendant publicity might lead one to believe. The revolution has, thus far, been more apparent than real.

By the 1980s, the trade believes that quartz will be well established, but that the so-called "quartz analogue," which has a conventional face, will be the dominant model, outselling the digital-face watches usually associated with the new technology. Thus, the revolution will be more real than is readily apparent.

Quartz watches first appeared in the U.S. in late 1974, the offspring of the American electronic companies of Fairchild, Texas Instruments, and National Semiconductor. By 1975 they were selling in the U.K. The American companies were free of the conventions which had hitherto governed the watch market; thus, when jewellers looked sceptically at the new watches, they took them instead to the electrical goods chain stores and to department stores—like Currys, Dixons, Boots, Laskys and Debenhams. Besides offering ready outlets, the electrical retailers took a generally lower margin—between 30 and 40 per cent, compared with the jewellers' 50 per cent plus.

It has to be said that the jewellers' doubts were, initially, amply confirmed. The first quartz watches were of the LED

## WATCH SALES IN THE U.K.

Est'mated Shares of Unit Sales

	1976
Timex	25
Sekonda	8.9
Trafalgar	7.8
Ingersoll	4.5
Rotary	2.3
Seiko	2.3
Avia	1.2
Omega	1
Tissot (Omega)	1
Accurist	1
Others	45
Total	100

Source: Trade enquiries, Mintel estimates

(light emitting diode) variety, in which a quartz crystal oscillated by a battery converts its oscillations into one-second pulses. The pulses in turn are translated into bright red figures. Because of the heavy demands made on the battery, the display is left unlit until activated by a button on the side of the watch.

The twin problems with LEDs were that the wearer had to

use two hands to tell the time and that the batteries wore out much faster than real, but in the long term will be more real than apparent.

The explanation of this is to be found in the impact of the quartz, or electronic, watch, to date, and the inroads it will make in the future. In the past two years, quartz watches have succeeded in taking a significant share of the market, though not as large as their attendant publicity might lead one to believe. The revolution has, thus far, been more apparent than real.

By the 1980s, the trade believes that quartz will be well established, but that the so-called "quartz analogue," which has a conventional face, will be the dominant model, outselling the digital-face watches usually associated with the new technology. Thus, the revolution will be more real than is readily apparent.

Quartz watches first appeared in the U.S. in late 1974, the offspring of the American electronic companies of Fairchild, Texas Instruments, and National Semiconductor. By 1975 they were selling in the U.K. The American companies were free of the conventions which had hitherto governed the watch market; thus, when jewellers looked sceptically at the new watches, they took them instead to the electrical goods chain stores and to department stores—like Currys, Dixons, Boots, Laskys and Debenhams. Besides offering ready outlets, the electrical retailers took a generally lower margin—between 30 and 40 per cent, compared with the jewellers' 50 per cent plus.

It has to be said that the jewellers' doubts were, initially, amply confirmed. The first quartz watches were of the LED

(light emitting diode) variety, in which a quartz crystal oscillated by a battery converts its oscillations into one-second pulses. The pulses in turn are translated into bright red figures. Because of the heavy demands made on the battery, the display is left unlit until activated by a button on the side of the watch.

The twin problems with LEDs were that the wearer had to use two hands to tell the time and that the batteries wore out much faster than real, but in the long term will be more real than apparent.

has meant that Timex has been reasonably successful in establishing itself in electronics. But in the past year or two, Timex has seen the growth of two competitors, both of which offer extras which the corporation does not or cannot. The most important is Time Products, which was like Timex in the U.S.—begun by an immigrant in the 1930s, Alexander Margulies, who retired from active involvement in his company last year. He came to the U.K. from Germany in 1931 as a sales agent, began commercial life by assembling German watch parts inside British cases, then switched to importing Swiss watches. He went into production during the war, switched back to importing

from Czechoslovakia. Mr. Timex. In the U.K., it is best adapted to quartz. Future trends in the market, on which the trade tends to agree, might be organised under four heads: a continuing shift of production to the Far East; a growth in the overall market (world and U.K.) because of the advent of quartz and its continuing decline in price; the steady increase of the quartz share within the overall market, especially LCDs and analogues, and the possible emergence of protectionist demands aimed at cutting out "unfair" competition, especially from the Soviet Union.

Production in the U.K. is now confined to the long-established market leader, Timex, and the talented freak, Trafalgar, though other companies do some assembly work from foreign-sourced components.

The U.S. electronic companies have also moved some of their functions to the Far East. The effect of electronics on the small Swiss watchmaking firms is a separate chronicle, but can briefly be described as disastrous. The Swiss are now fighting back strongly, but are unlikely to regain their absolute dominance.

Within that overall perspective, there are significant exceptions. Portugal suddenly became a major exporter of watches to the U.K. in 1975, wholly due to the Timex subsidiary there coming on stream. Texas Instruments plans to start assembly of quartz watches in Italy later this year. West Germany has gradually increased its exports over the last five years.

Growth in the market—as a recent Economist Intelligence Unit report has pointed out—was unlikely "if the quartz watch had not happened." EIU estimate that the market would have settled at around 11m. units annually, the number sold in 1975. As it is, the current market is between 11m. and 12m., and is forecast to grow to around 13m. by 1980, depending on how quickly quartz can become cheaper.

Finally, the rash of price-cutting has meant that producers and distributors see their profit margins attacked at the same time as the market is growing. Last week, the British Watch and Clock Manufacturers' Association tentatively took the first step towards surveying watch imports, with a view to establishing an anti-dumping case which they could stand up before the EEC.

Kia-tronics, then, have unleashed a war on the watch market, one for which the Swiss, well known for their repugnance for conflict, were unprepared. They have had a hard pounding from the industries of some of the most powerful countries in the world. In the U.K., only those who could maintain volume through world-wide distribution or fast sales account for around 50 per cent of the market by value—and find a natural habitat in jewellers' stores. And they, too, have now had the consumer.

Mr. Edwards, who like most watch executives thinks that the jewellery trade was more than a little old-fashioned, believes that the TV ads, coupled with the use of unconventional outlets by the electronics manufacturers, have forced the jewellers to be more aware of selling. Their position has been eroded sharply since the early sixties, when they virtually controlled the distribution of watches. Today, they sell less than 50 per cent in unit terms, with mail order taking 10-12 per cent, and department and other stores like Woolworth and Dixons taking between 15 and 20 per cent. But watches represent 20 per cent of jewellers' total sales, so they can't afford to lose the trade. And it is unlikely that they will lose much more. The wide distribution or fast sales account for around 50 per cent of the market by value—and find a natural habitat in jewellers' stores. And they, too, have now had the consumer.

elderly could help themselves how many angels can dance on the point of a needle. Surely, what surprise results call into question is not the efficiency of the market but the only subject where discussion would be valuable, namely the relative efficiency of investment and especially of investment in housing.

All that is required is an amendment to the Housing Act to enable old age pensioners to sub-let part of their home either furnished or unfurnished at a G. G. Blakey, Lyndon and Co. office on a weekly or monthly tenancy without giving the tenant any security of tenure beyond the week or month agreed. Thus, if either party wanted to determine the tenancy for whatever reason the present provisions of the Housing Act would not apply.

The local authority could keep a register of all such accommodation and could charge a fee for all lettings effected. Mr. G. B. Bond, 744, Chelsea Cloisters, S.W.3.

## Markets

From Mr. G. Blakey. Sir—Now that the "efficient market" theory is receiving an airing once more in your columns, dare I suggest that most of the distinguished contributors to your letter page are barking up the wrong tree?

Any "market" is by definition efficient to a greater or lesser degree simply because it is an arena in which buyers and sellers compete. Thus Mr. Marber's point (January 3) that an efficient market would have fully discounted the recent surprise results from ICI and Bass Charrington and the prices have remained unchanged, is misconceived. On the contrary, the efficiency of the market was demonstrated by the rapid adjustment of their prices to the news as soon as it became widely known. Clearly everything about every company, large or small, cannot be known to everyone simultaneously, but the fact that it is not does not mean that the market is not efficient. To talk in terms of absolutes in efficiency looks as productive a debate as that concerned with

about mere commercial banks with non-profit-making institutions (Lex, January 16).

Possibly, the most suitable partners for the societies might be the trustee savings banks, and model exists in the Bauverein Gesellschaft, the Bauverein Schwabisch-Hall (the second or third largest building society in the Federal Republic) is directly connected with the Volksbank network that offers varied services such as are now being marketed here under the TSB logo, and which is governed on the same mutuality principle. Ellis Owen, Masters' Common Room, Warwick School, Warwick.

## Power

From Mr. A. Stobart. Sir—I might amplify Mr. Bond's letter (January 16) on the subject of wind power? A formula for power in wind was worked out in the 1780s which still holds good. The power in watts per sq. m. of presented area is given by  $P = 0.61V^3$  where  $V$  is the wind speed in metres per second. Only about 40 per cent of this power is collectable in practice.

Wind energy collection units (WECUNs) are usually rated at 10 m/sec. (22 mph) which gives about 0.244 kw of collectable power per sq. m. of presented area. At this figure an 87-foot radius rotor is rated at 556 kVA, with a probable maximum output of 1.4 MW in a 30 mph wind. Because of the cubic relationship between wind speed and WECUN power output, the calculation of available power for a given site needs to be done by the Met. Office, which has presented area, rather than from a mean average speed.

The 6kW per person figure needs amplification. A family of four in a North London four-bedroom detached house used approximately 25,000 kWh per annum for heating and hot water (ten-year average). About half of this was consumed between end-November and end-February. A. F. Stobart, Manor Farm, Claydon, Banbury, Oxfordshire.

## Letters to the Editor

From Mrs. S. Leslie. Sir—The chairman of the Conservation Society writes (January 17) as if the economic growth argument is the only justification for road projects. In fact the Leitch committee has merely confirmed existing government procedure which excludes the indirect economic benefits from the cost benefit assessment of road projects. In the Leitch report's own words: "The Department is, in our view, correct in excluding the indirect benefits from the calculation."

The point which seems to have escaped general public notice, but which was emphasised in your transport correspondent's article (January 11), is that in the committee's view the cost-benefit method of assessment "has been competently designed... and implemented... with considerable skill." To be sure, the report recommends that a different forecasting methodology be adopted by the Department.

This may or may not result in lower forecasts than before, but the effect on the 350 trunk road schemes still outstanding will not necessarily be dramatic. The reason for this is that many of them do not rely for their viability on future traffic growth—some are needed just to cope with existing traffic flows. More than 100 of the outstanding schemes are bypasses to heavily congested town centres, for which the case (and popular support) is overwhelming.

The present assessment method is based on discounting benefits arising in future years at the high discount rate of 10 per cent. This makes future traffic levels relatively less important in the economics of the scheme. Were that rate to be lowered, as the BRF urged in its evidence to the committee, the forecasts might become more crucial. A lowering of the rate would lessen the bias between public and private investment (which private company would jump at an investment opportunity that

## Freedom

From the Deputy-Chairman, The Section Group.

Sir—It is good to see Mr. Stead (January 18) pushing the argument on a free market in money beyond the arena of the foreign exchange markets. His implication that this freedom would be almost entirely illusory as long as we have Government-imposed money and exchange controls is of course largely correct. The abolition of exchange controls would be the most important step, establishing the right of consenting adults to transact business among themselves in the currency (or commodity) of their choice. But as long as the rate would lessen the bias between public and private investment (which private company would jump at an investment opportunity that

## Letting

From Mr. N. Bond.

Sir—The feature by Mr. Joe Rogaly (January 18) on how the

## Will your income retire when you do?

If you're self-employed, or in a job without a pension, are you dreading the day when you stop working? Your living standards need not be affected if you take one essential step NOW.

Join the Property Growth Personal Pension Plan '100'. It's tailored to fit the needs of people in your position. With 100% investment in a choice of four tax-exempt Funds, the 'PPP100' enables you to take maximum advantage of current tax concessions to provide yourself with substantial retirement benefits.

These include a tax-free cash sum and a fixed or growing income for life. And there are further valuable options for your dependants. By acting now, you'll save yourself a lot of worry later.

## Personal Pension Plan '100' from Property Growth

Ask your insurance broker for full details or contact: Property Growth Assurance Company Limited, Head Office: Lion House, High Street, Croydon, CR9 1LU. Telephone: 01-880 0606

PROPERTY GROWTH ASSURANCE A member of the Phoenix Assurance Group



## FINANCIAL TIMES SURVEY

Saturday January 21 1978

## Taking Your Car on Holiday Abroad

Motoring holidays form a very large part of the general growth in leisure traffic between this country and the Continent and elsewhere. This Survey aims to provide a comprehensive guide to services during the months ahead.

## Drive where you will

BY IAN HARGREAVES  
Shipping Correspondent

GIVEN THAT the great appeal of taking your car abroad is that it cuts pre-planning to a minimum, it has to be said from the start that there is no substitute for some intensive studying of brochures when it comes to choosing your car ferry. With 40 routes available within the British Isles or between Britain and Europe and around 15 different shipping lines—the number depends on whether you include mainly freight operators—the choice is far from easy. Moreover, with this degree of competition there is some extremely sophisticated marketing at work, which makes it very difficult to offer simple generalisations about which lines are cheapest—although most of them are, of course, prepared to make this claim for themselves.

The opening question must be: where do you want to go? The next are your most convenient port of departure, how many people will accompany

your car and the length of your vehicle. Armed with this information, a good travel agent should be able to come up with the best price available, but even then it does no harm to bear in mind that agents' commission varies between 7.5 and 10 per cent, according to service and period.

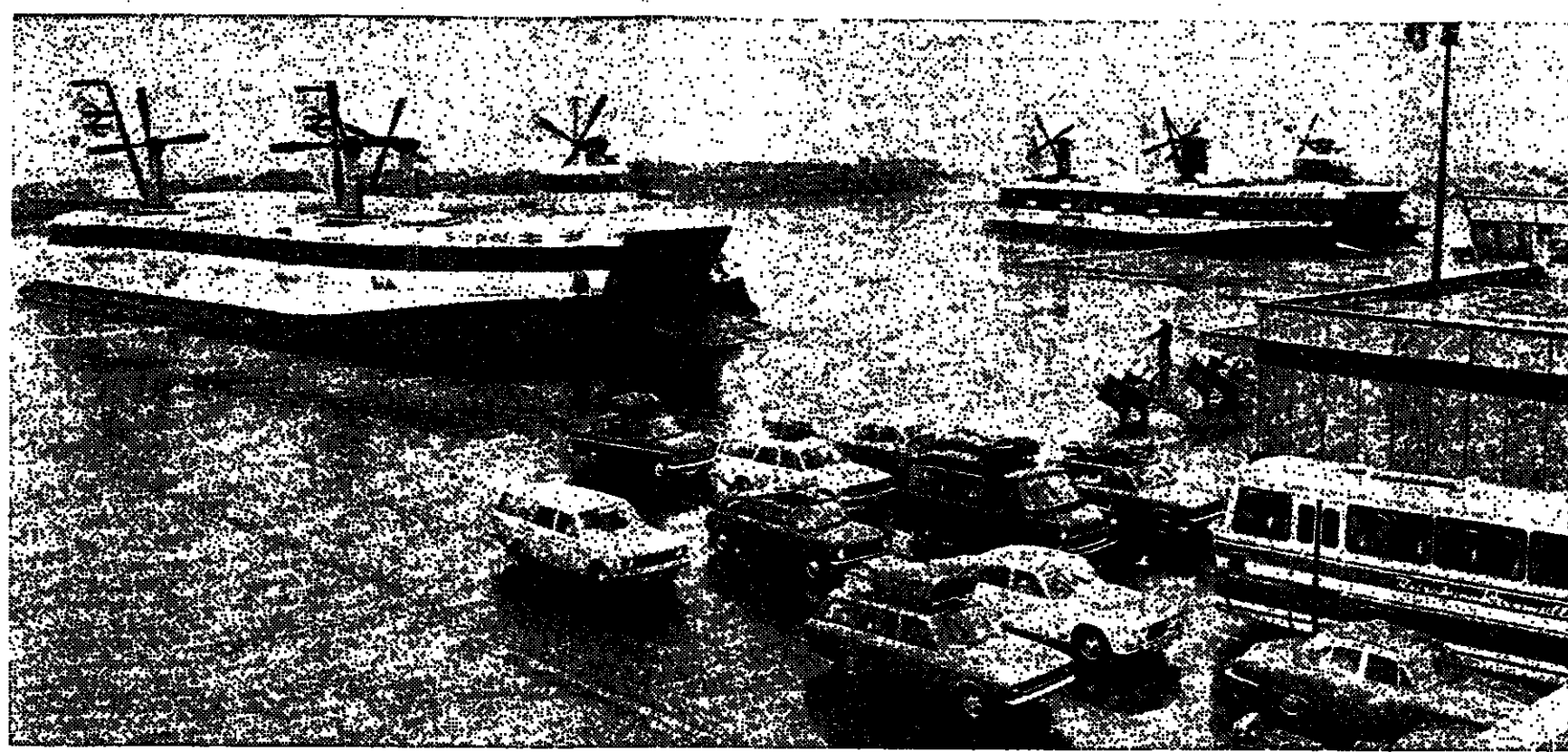
The reason for all the competition is of course the fact that short-sea car ferries are very good business indeed. European Ferries, whose Townsend Thoresen subsidiary operates on eight passenger routes, had pre-tax profits of £7.8m. on its shipping activities in 1976, and while a substantial part of this came from freight carrying, the car ferry business continues to look very healthy.

## Bookings

Townsend's biggest competitor, the railway owned conglomerate Sealink, lost money for British Rail in the same year, but will probably show its first profits for some time in 1977 having also gained from the rising tide of business. Between them, these two operators account for about two-thirds of the business across the Channel.

On all its routes last year Sealink carried over 17m. passengers and over 3m. cars—a 10 per cent increase in volume—and it is predicting a similar increase this year. It says its package holiday bookings, which always start to come in earlier than the simple ferry bookings, are double a year ago.

Port statistics back up this picture of almost uninterrupted growth since the late 1960s (only 1974 was a bad year). The number of passengers through Dover has almost doubled in ten years and considering the rapid decline in ocean-going passenger shipping in the last



Seaspeed and Hoverlloyd craft at Calais.

decade, it is noteworthy that between 1967 and 1976 total passenger movements through U.K. ports increased from 9m. to 16.5m.

In the past couple of years most of this growth has come from mainland Europe and for the first time Sealink last year carried more foreign than U.K. passengers on all of its routes except Weymouth-Cherbourg. The fact that a large number of these Continental travellers come for winter shopping visits has also, along with the growth in roll-on roll-off lorry traffic, and the Townsend Thoresen

fleet, having expanded more rapidly and recently, has no ship older than 16 years. Townsend is incidentally likely to be ordering more new multi-purpose ships in the not too distant future.

The development of greatest interest to car ferry users this summer is the virtual fare freeze on many routes which West, or Ostend and £30 on has followed the outbreak of P & O Normandy from Dover price warfare on the Channel to Boulogne.

There can, however, be significant differences in prices in these companies' packages

usually only a whisker's difference on prices of operators on identical or very similar routes. A 14-foot car with two adults in standard season, for example, would pay £31.20 by Townsend on Dover-Calais, or

Dover-Zeebrugge, the same interest to car ferry users this summer is the virtual fare freeze on many routes which West, or Ostend and £30 on has followed the outbreak of P & O Normandy from Dover price warfare on the Channel to Boulogne.

There can, however, be significant differences in prices in these companies' packages

for example, tours or caravan hire—and there are differing approaches to the short-stay journey. Townsend claims it can do an all-in caravan hire/night less than Sealink in the high season.

The main advantages possessed by the smaller operators are their sailings to or from particular ports. North Sea Ferries, for instance, sails to Holland and Belgium from Hull, and Brittany Ferries specialises, as one would expect, in direct sailings to

Brittany ports, using 1 departure points of Plymouth, Cork (Ireland) and Portsmouth. This line has also stepped in the breach left by Aznar Ferry and Swedish Lloyd by offering the only direct sailings from Plymouth to Santander takes 24 hours.

## Routes

Other more northerly routes are served by Tor Line Gothenberg out of Felixstow and Newcastle (this last serving in conjunction with DFDS Seaways, which also sails from Newcastle to Denmark); Frs Olsen-Bergen, which serves Norway out of Newcastle at Harwich, Prins Ferries which sails to Northern Germany from Harwich, and Olau Lin with its single route from Sheerness to Flushing. Imminham, after a brief period as European car ferry port, has been deserted by Tor Line.

Irish services received some special marketing attention from Sealink last year, with a range of price freezes, cheap packages and even straight cuts in some cases. The dividends proved to be handsome, with car passage business up 33 per cent on the previous year and a 25 per cent rise in traditional rail-se traffic. This contribution to Irish tourism won Sealink the United Dominion Trust award. As a follow-up Sealink, which claims 60 per cent of the Irish Sea market, has introduced a new summer route from Rosslare to Dun Laoghaire, but fares on Irish services have gone up this year by about 15 per cent.

Hoverlloyd, the other hovercraft company, which operates from Ramsgate to Calais, tends to be cheaper than Seaspeed, but has the disadvantage that it

Continued on Page III

Accidents happen when you least expect them, even while you are on holiday. It's no good saying it won't happen to me, because it just might.

And although there are reciprocal health arrangements with other EEC countries, protection varies considerably and doesn't cover every aspect by any means. Unlike AA 5 Star Service with its Personal Security which provides comprehensive medical expense cover, as well as protection against loss of money and property. Should anything happen

that puts you under medical care you can claim up to £8,500 for medical expenses depending on the number of people in the car.

There's an air-ambulance service available if it's medically necessary to bring you back home and cover up to £250,000 for personal liability damages and legal costs.

AA 5 Star Service even covers unlikely events like hijacks and squatters moving into your home while you're away. And, naturally enough, provides protection in the event of the loss

of your car through breakdown, fire, accident or theft.

You don't have to be a member of the AA to take out 5 Star Service, although if you are, you can benefit from additional services.



AA 5 Star Service is available from any AA office and from most ABTA travel agents.

## UNLUCKY MOTORISTS COULD FIND BED AND BREAKFAST VERY EXPENSIVE IN EUROPE.



## Do you collect more tickets than you bargained for when booking your holiday?

You'll be taking the car, naturally. So the way to avoid those extra tickets as you flit between travel agencies looking for the service you want, call in at the bank, have a word with your insurance brokers, check on the visa situation, is to call in at Thomas Cook. Your one-stop travel shop. They can sort out all your problems.

Consider your car booked. Car ferries and motor-rail links are no problem. Once we've confirmed you're on, you're on.

Hotels are no problem, either. We don't only book package tours, you know. We'll book your accommodation at your departure point or arrival port, depending on the time of day or night you're travelling. We'll see to the accommodation arrangements at your destination, too. Better than that, we can even



book you into the right hotels en route—so you won't have to sleep in a lay-by on the way.

We'll put the right money in your pocket. As a motorist abroad, you'll need currency as well as the usual Travellers Cheques. You'll be hard put to find a better exchange rate than in your Thomas Cook travel shop. And you'd have to drive hard to find a country where Thomas Cook Travellers Cheques are not recognised.

Vis-a-vis passports. Red tape doesn't daunt us. Passport renewals, visas, international driving licences, even camping carnets—we can advise on all aspects of official documentation.

So why dash around town fixing up this and that. Call in at your local Thomas Cook travel shop, and arrange the whole complex mass at the same time. You'll find that our experience pays off handsomely once you're on the road. Just make sure you find a meter first and you won't pick up any extra tickets with Thomas Cook.

# Thomas Cook

Your one-stop travel shop.



## TAKING YOUR CAR ON HOLIDAY II

# Enjoying the wide open spaces of the north

BY PAUL MARTIN

THE SCANDINAVIAN coun-  
try are rightly considered high-  
est areas and just as we, who  
are the wide open spaces of the  
northern Europe, have wel-  
comed the recent strengthening  
sterling, so have their tourist  
authorities for whom the U.K.  
is a traditional market.

Two other developments are  
likely to benefit the independent  
traveller. There is a new spirit  
common initiative abroad  
and in addition to the combined  
operation by DFDS Danish Sea-  
ways and the Swedish Tor Line  
introducing a new joint ser-  
vice from Newcastle there are  
some new and inexpensive pack-  
ages to Denmark, Sweden and  
Norway based on inclusive  
camping, caravan or chalet  
arrangements.

Norway and Sweden sell the  
delights of life in the open air  
and a sense of space, while  
the Danes have considerably  
expanded arrangements for the  
individual motorist and are  
again featuring the long-  
established and very successful  
farmhouse holidays.

While no one yet seems to  
have found the ideal name for  
the new generation of jumbo  
car-ferry first introduced seven  
years ago, ferryliner sums up  
in one word what they are all  
about. The Fred Olsen/Bergen  
Line ships that ply the tradi-  
tional routes to Norway cruise  
to the Canaries in winter.  
Danish Seaways are introducing  
a new 14,000-ton flagship on the  
Harwich-Esbjerg route later this  
year to supplement what is still  
the only daily service from a  
U.K. port to Scandinavia, and  
Tor Britannia and Tor Scan-  
dinavia are very much in the  
luxury class.

## Sterling

The strengthening of sterling  
has produced some pretty  
sweeping reductions and as well  
as introducing a very much  
expanded range of inclusive  
holidays, particularly in the  
self-catering market, some Tor  
Line packages are around 30  
per cent lower. With the sea  
journey from Felixstowe to Sweden.

Gothenburg providing an attrac-  
tive beginning and end to a  
Swedish holiday, economy  
cabins have now replaced  
couchettes.

Tor Line has also introduced  
a series of camping vouchers  
enabling you to pay site fees  
before leaving the U.K. These  
can be used at nearly 300 sites  
in Sweden and you can get a  
comprehensive list of them  
when you book. A package,  
including return passenger and  
car fares, is available from £63  
per person for a 16-night holi-  
day and there is a 30 per cent  
discount for children. A higher  
rate of £98 per person for the  
conventional party of four  
applies in June and August and  
as July is the main holiday  
month in Sweden, there is  
plenty of room in August.

The early months in Sweden  
can be delightful and the  
Swedes' idea of a chalet is cer-  
tainly not a rather rudimentary  
shack in the wilds of the  
country. They tend to be in  
groups and, with a choice of  
departure from either Felix-  
stowe or Newcastle, you can  
hire a fully equipped chalet in  
Varmland for as little as £56  
per person, again with a party  
of four, for a 9-day holiday in  
May and September. If you  
feel like combining Sweden with  
Norway, a 16-night holiday,  
spending a week in Sweden and  
driving on to the spectacular  
Norwegian fjords has a start  
price of £130. Car transport is  
included in all these schemes.

Irrespective of the country  
chosen, there are also hotel  
arrangements using a voucher  
scheme under which you can  
plan your own itinerary and pay  
for your overnight accommo-  
dation before you leave. There is  
a choice of budget or first-class  
hotels and while carriage of  
your car is not automatically  
included, it is covered, again  
with that familiar party of four  
on departures in May August  
and September from Felixstowe  
and after August 15 from New-  
castle. The rates vary according  
to departure dates and hotel  
category from £72 to £142 per  
person for a full week over in  
explore the countryside during

Fred. Olsen/Bergen Line, the day, a half-board arrange-  
ment is preferable.

If you feel that you would  
like to see as much as you can  
of Scandinavia in a relatively  
short time, a 12-day holiday  
starts with a crossing from  
Newcastle on the Winston  
Churchill. You then drive from  
Gothenburg to Oslo and on to  
at Aseral. They are all fully  
equipped and bed linen, blan-  
kets, crockery and cutlery are  
included. Car hire charges are  
sometimes quoted as a suppli-  
ment. Their camping scheme is  
somewhat different with a  
voucher, available for use at 35  
camp sites included at no  
extra charge if you book a  
normal passenger and car return  
passage.

## Scenery

Norway offers the most mag-  
nificent mountain and fjord  
scenery in Scandinavia. One  
particular tour, covering nearly  
900 miles, uses pensions and  
guest houses in order to keep  
costs down. The route from  
Kristiansand takes in Voss the  
Sognefjord, the Jotunheimen  
Mountains, Oslo and the lovely  
country of Telemark. You spend  
two days, with full board, at a  
pension on the Sognefjord,  
which gives you a rest from  
driving. With departures from  
Harwich, the per person rate  
varies from £231 to £287 with  
an additional charge for car-  
riage of the car both across the  
North Sea and on internal  
ferries in Norway of £34.

DFDS Danish Seaways operate  
a sliding scale for car charges  
but with four passengers the  
vehicle goes free and is included  
in package arrangements. Their  
very popular farmhouse holi-  
days, using your own car and  
with half-board at the farm of  
your choice, have a starting  
price of £86 for a ten-day holi-  
day with seven nights spent in  
Denmark. Full board is also  
available at a supplement and  
you can extend your stay. Many  
of the farms are near the sea  
and I would suggest that, with  
the freedom it gives you to  
explore the countryside during

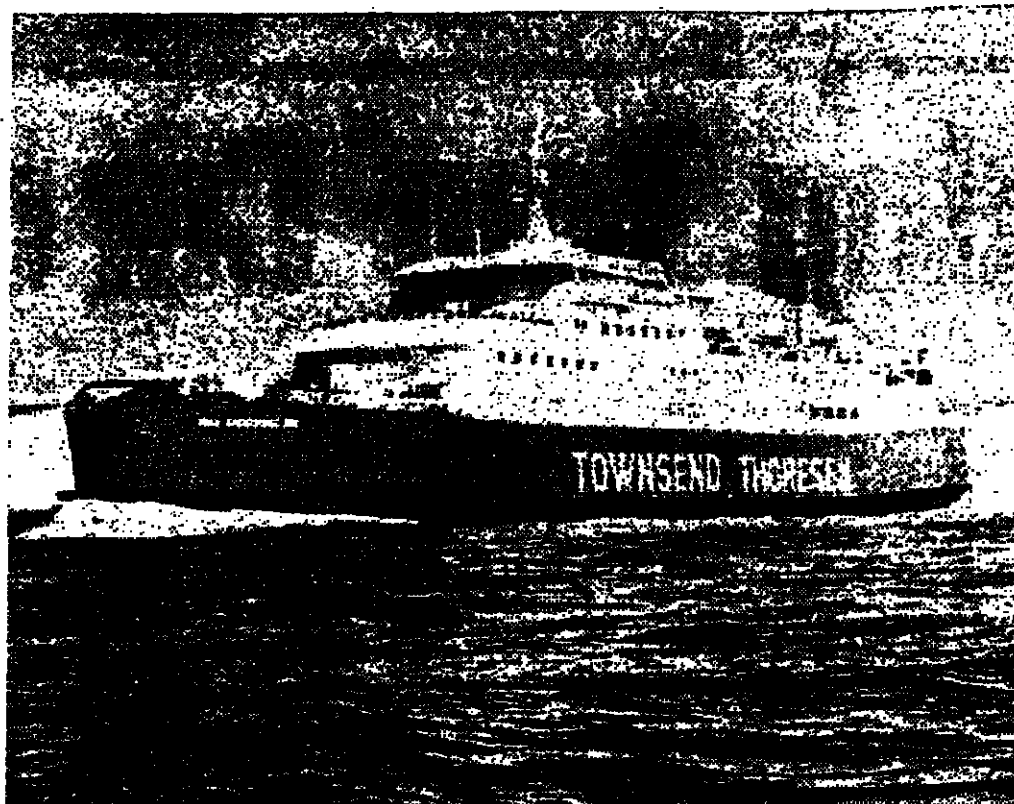
the day, a half-board arrange-  
ment is preferable.  
If you feel that you would  
like to see as much as you can  
of Scandinavia in a relatively  
short time, a 12-day holiday  
starts with a crossing from  
Newcastle on the Winston  
Churchill. You then drive from  
Gothenburg to Oslo and on to  
at Aseral. They are all fully  
equipped and bed linen, blan-  
kets, crockery and cutlery are  
included. Car hire charges are  
sometimes quoted as a suppli-  
ment. Their camping scheme is  
somewhat different with a  
voucher, available for use at 35  
camp sites included at no  
extra charge if you book a  
normal passenger and car return  
passage.

Finally, Prins Ferries, operat-  
ing Prins Oberon and Prins  
Hamlet on the regular crossings  
from Harwich (Narvik) to  
both Hamburg and Bremer-  
haven, have gone in to the tour  
operating business in quite a  
big way with their Prinscar  
holidays.

In the luxury market they  
use some excellent hotels under  
the banner "Where the Guest  
is King" and the low rate for  
a four-day holiday, including  
return travel in cabin accom-  
modation and transport of a car  
irrespective of length and  
spending two nights at an hotel  
on a half-board basis, is £61.25.  
There are supplements in high  
season and extension of stay  
can also be arranged.

They also cover farmhouse  
holidays and, if your route  
takes you through the Hanseatic  
Cities, you can arrange to com-  
bine a motoring holiday in  
Germany with a visit to Finland.  
My colleague, Sylvie Nickels,  
takes up elsewhere in this  
supplement the story of the  
remarkable Finnjet which links  
the North German port of  
Travemunde to Helsinki.

ADDRESSES: DFDS (U.K.)  
Ltd., Mariner House, Pepys  
Street, London EC3N 4EX.  
Fred. Olsen/Bergen Line, 229  
Regent Street, London W1R  
8AP. Prins Ferries, 19/14  
Queen Street, London W1X  
8BA. Tor Line Passenger  
Division, Anzani House, Trinity  
Avenue, Felixstowe, Suffolk  
IP11 8XE.



Townsend Thoresen's Free Enterprise VIII.

## The choice can seem confusing

BY SYLVIE NICKELS

CAR FERRY companies and  
services have occasionally come  
and gone since the initial boom  
of the 1960s, but the overall  
growth has been phenomenal in  
the full sense of this overused  
word. The Sealink consortium—  
British Rail Shipping, together  
with partners in France, Hol-  
land, Belgium—estimates its  
1977 figures as 7.1m. passengers  
and nearly a million cars on its  
Plymouth, Stirling-Dover and  
cross-Channel ferries alone.  
Currently there are around 40  
ferry routes connecting Britain  
with the Continent as well as  
internally, and if this seems a  
lot, it represents less than 20  
per cent of the total available  
from the Baltic to the  
Bosphorus.

If the choice seems confusing,  
it is important to clarify what  
constitutes the most convenient  
crossing to meet personal needs.  
Costings must take into account  
distances from ports both from  
home and the final destination.  
Rotten sailors may think that  
extra mileage is justified to  
shorten their misery.

Others will revel in every  
rollicking wave. If there are  
potentially fractious youngsters

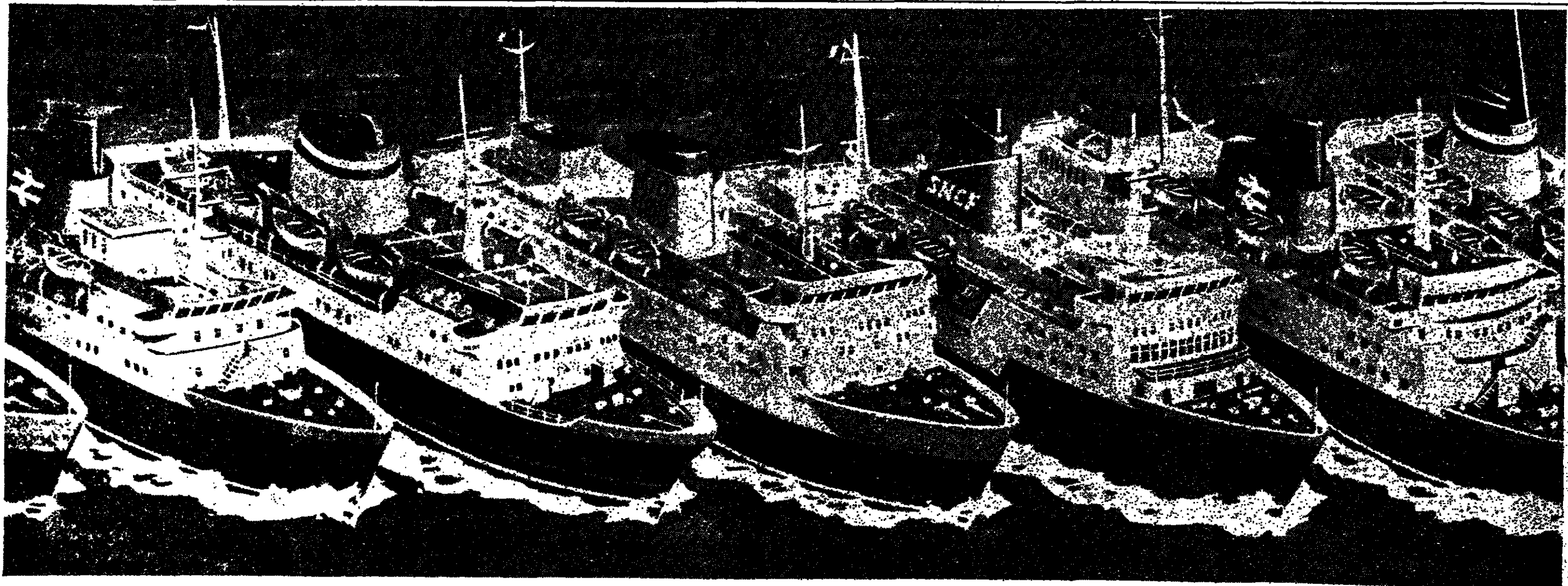
or less healthy members in the  
party, it is obviously worth get-  
ting there as quickly as possi-  
ble. At this end, British  
relatively little exploited region  
of south-west Holland. Provid-  
ing you are prepared to be a  
little windwept at times, this  
is a marvellous area for super  
beaches, delightful old towns  
and villages, and those really  
labyrinthine seaways that are  
being tamed by the technical  
marvels of the Delta Plan.

## Bargain

If you are not taking advan-  
tage of any of the bargain re-  
turn arrangements (usually  
applicable to short stays, off-  
season and/or departures at un-  
social hours), you could go out  
by one of these routes and re-  
turn from one of the Belgian  
or northern French ports, in  
between enjoying a really quite  
low-mileage tour (by European  
standards) through countryside  
that deserves far more atten-  
tion than it gets. These could  
include the very lovely river-  
laced hills of the Belgian and  
Luxembourg Ardennes, the  
upper reaches of the Moselle or  
Vlissingen (Flushing) served

by Olau Line from Sheerness.  
Flushing provides a direct  
entry into Zealand, that  
of south-west Holland. Provid-  
ing you are prepared to be a  
little windwept at times, this  
is a marvellous area for super  
beaches, delightful old towns  
and villages, and those really  
labyrinthine seaways that are  
being tamed by the technical  
marvels of the Delta Plan.

We did the journey to the  
Algarve last April. The routes  
there and back through Spanish  
cities like Burgos, Salamanca,  
Leon, and through the almost  
consistently beautiful hilly,  
wooded, picturesque expanses of  
Portugal, were only marred by  
insufficient time. With local  
touring and detours, we clocked  
2,000 miles, and it was worth  
every gear change of the way.



# Wherever you're driving in Europe,

Wherever you're driving and wherever you start from, the  
chances are that Sealink has the sailing that most suits you.

Sealink has more routes and greater frequency. For you  
that means more choice.

Holiday bargains Sealink has lots of them:

New 24-hour motorists' excursion tickets, saving up to  
50% of the normal fare.

New 60-hour motorists' excursion tickets, saving around  
35% of the normal fare. 5-day motorists' excursion tickets,  
saving around 20% of the normal fare.

Up to 50% discount on caravan fares on selected sailings  
from Dover, Folkestone and Newhaven, and on all sailings from  
Weymouth to Cherbourg, provided that you book at least  
14 days in advance.

## Only Sealink offers you a choice of 10 routes to the Continent.

1 HARWICH HOOK OF HOLLAND Sail in style towards the heart of Europe on one of our large luxury ships. A brand new ship comes into service this year.	2 DOVER OSTEND About 3½ hours. The shortest car ferry route to Belgium, and the most frequent service. Direct access to the European motorway network. Caravans at up to half rate on selected sailings.	3 FOLKESTONE OSTEND Belgium made easy from Sealink's own port on the channel. Caravanners can save 50% of the caravan rate on selected sailings from Folkestone.	4 DOVER DUNKERQUE Under 2½ hours crossing time, with fast access to the European motorways.	5 DOVER CALAIS One of Sealink's 'short sea' routes. Even greater frequency this year, with up to 11 sailings daily in each direction.	6 DOVER BOULOGNE A little more than 90 minutes, just enough time for a stroll on the decks, a drink, a snack and some duty-free shopping.	7 FOLKESTONE CALAIS A handy alternative Folkestone is in Britain's No. 1
---	--	--	---	--	--	--

JPL/col/SD



## TAKING YOUR CAR ON HOLIDAY III

# Improving the comfort and convenience

BY SYLVIE NICKELS

WITH THE passing of the years, car ferries have increasingly become more than mere carriers of the passenger and his car. All sorts of facilities are offered to keep him happy on board and there are all kinds of services to make the rest of his holiday easier and often cheaper. On several major routes, 1977 prices have been frozen for the coming season, and some have even gone down. Most companies arrange mini cruises, some complete holiday packages, and yet others work in with one or more travel firms to cater for specific needs.

A number of the latter are geared to the camper and caravanner. The first company to actively encourage this section of travellers was Townsend Thoresen. It was in the mid-1960s that the company first began hiring out camping equipment, and since then the whole thing has snowballed until you can now rent anything from a tent to a table, a caravan

## Sailings

Celebrating its golden jubilee this year, Townsend Thoresen has expanded its number of sailings by 17 per cent to 18,500, is offering up to 50 per cent. reductions on transport of caravans on about 4,000 selected sailings, and up to 75 per cent. discounts on hire charges. Sample prices for periods of more than five days, according to season, are from £1.62-£3.88 a day for a four-berth Monza, and from £1.22-£2.82 a day for a camping pack for four, with tent, camp beds, sleeping bags and cooker.

Sealink offers hire of camping equipment in conjunction with

Blacks, arrange touring caravan hire in Belgium, France or Ireland, and have good reductions on certain sailings if you are taking your own caravan.

Though the great majority of motorists will be touring in countries nearer home, a minority will be heading for far-flung corners of the Mediterranean, not all of them accessible by overland routes. A considerable network of car ferries link its shores and many of its islands, but it is not always easy to get reliable information either about their timetables or their standards, which are often not what one might hope.

Sealink is one of the organisations which can help since the company markets the services of Tirrenia Line between Italy and Corsica, Malta, Sardinia, Sicily and Tunisia; also a variety of Italian and Greek companies

services between Italy, mainland Greece and Corfu. The

Danish company DFDS runs its own schedules from Italy to Spain and Tunisia, while P & O Normandy is the agent for SNCM ferries from the south of France to Corsica, Sardinia and North Africa.

## Fares

P & O Normandy, incidentally, in addition to freezing 41 per cent. of their fares is actually reducing 31 per cent. of them on the sound principle that cash benefits are of more general advantage than more gimmicky offers. It is the only southern route carrier, too, to carry bicycles free, though cycling enthusiasts heading for Scandinavia will be familiar with this facility. Even the motorist gets a free passage for his car on some routes to Scandinavia at certain times and under certain conditions.

Most companies are offering a bargain rate based on short

trips of a maximum of five days. In the case of Olau Line, up to four adults and a car can travel for £76 until the end of April. Brittany Ferries has a similar offer on the Brittany routes costing £30-£100 according to season. On the new route to Santander, they will carry our car free or at a low rate, again according to season. For this twice weekly service, they also have a special half-price arrangement for accommodation at Holiday Inn, Plymouth, for the night prior to the Monday morning sailing.

Assistance with overnight accommodation is a useful new facility available through P&O Normandy, with twenty-one 2 or 3 star hotels to choose from in France, thus obviating that last-minute hunt for a resting place at the end of a day's driving.

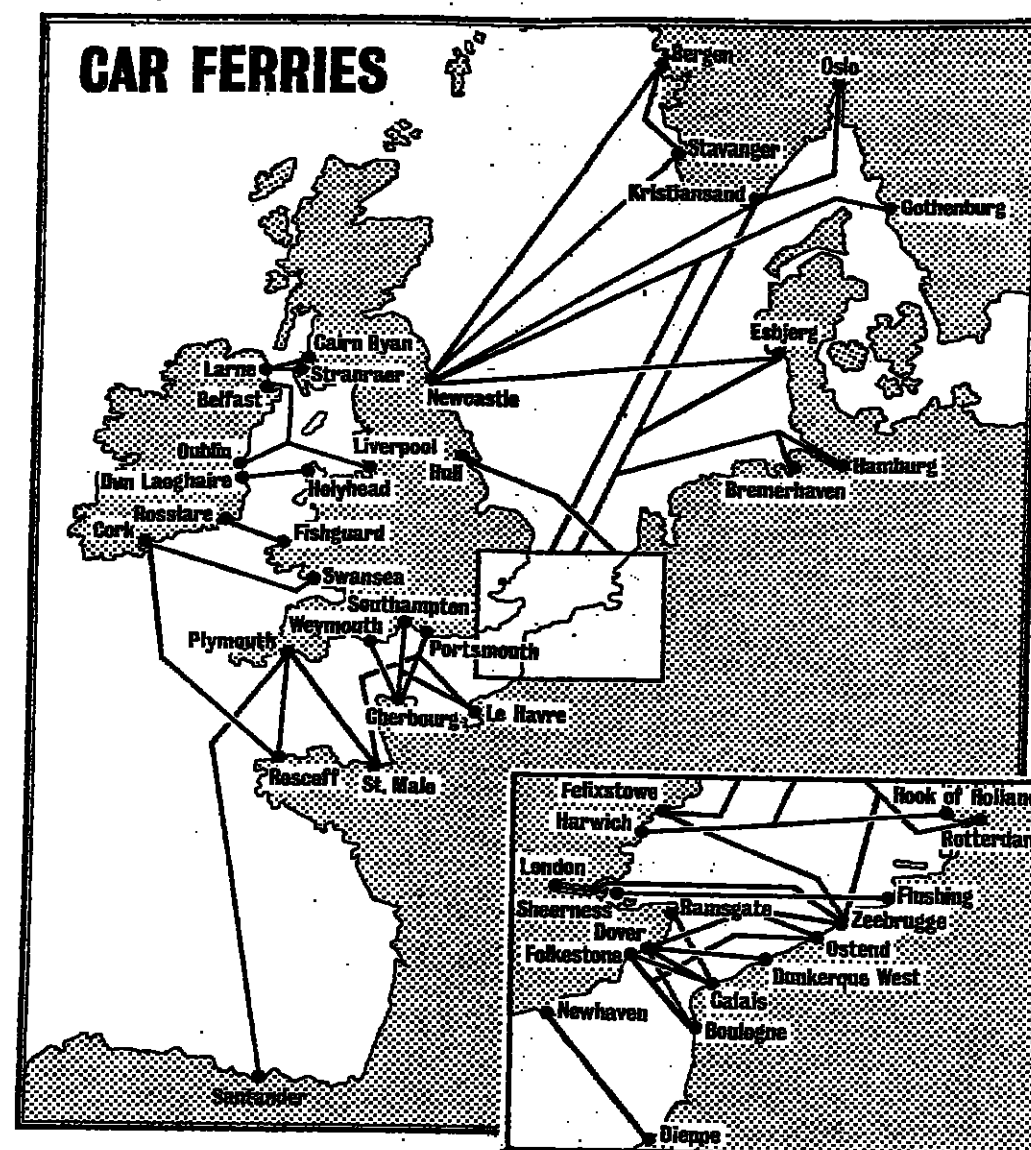
Among the most misunderstood "perks" of overseas travel are duty-free goods. In a recent trade report, on-board prices for a whisky on services to the Continent ranged from 20p-£1.08p and a packet of cigarettes from 32p-46p.

Broadly speaking, the further north one goes, the higher the cost of these items, with Sweden topping the list for spirits. Paradoxically, Tor Line offers one of the best bargains in duty-free packs on the return journey from Sweden: SK55 (about £8) for a litre of spirits, a bottle of wine and 200 cigarettes.

## Choice

In nearly all cases, car ferries offer a choice of self-service or waiter-service meals which are in addition to the fare. Unusually, North Sea Ferries' fares on routes to Rotterdam and Zeebrugge include all food: five-course dinner, early morning tea, English or Continental breakfast and fresh fruit in your cabin.

So you pay your money and you take your choice!



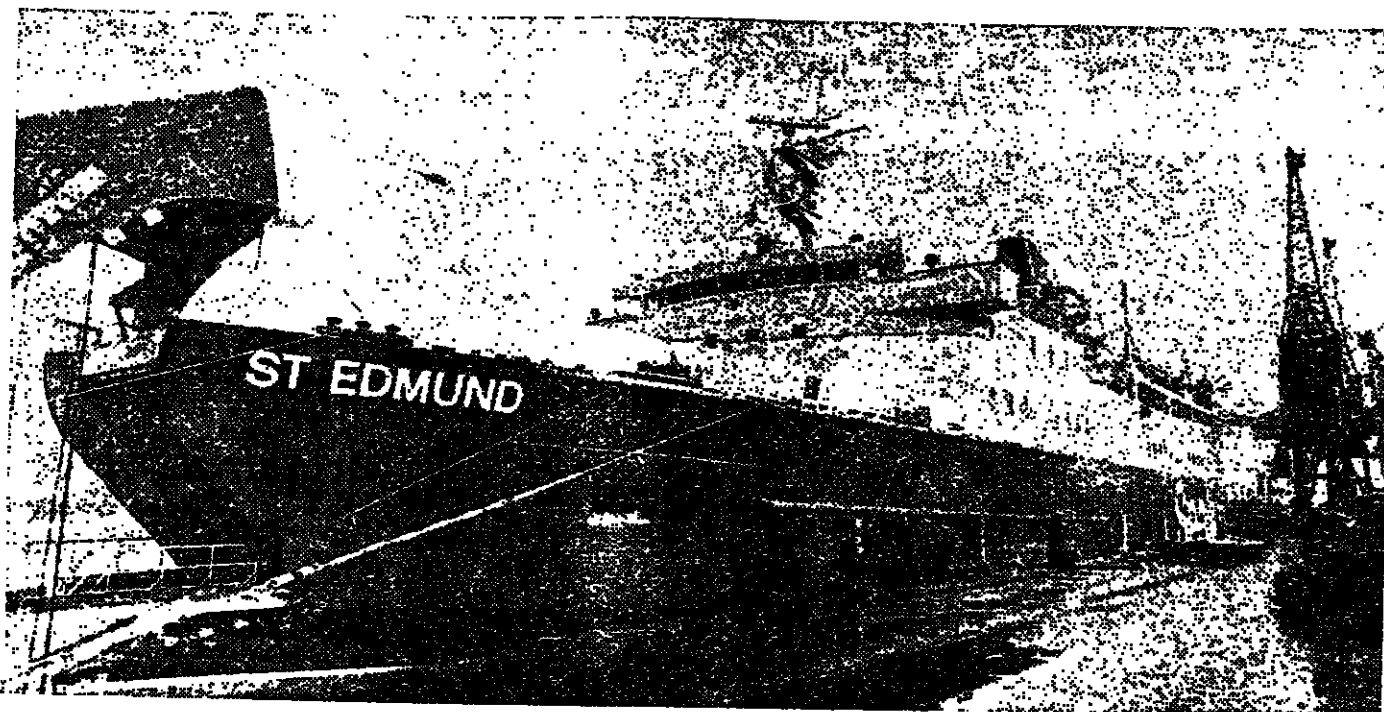
## Drive CONTINUED FROM PAGE 1

to Spain or sailings to the Brittany peninsula. Brittany Ferries describes the level of early bookings as "incredible" and says that sailings at some peak week-ends are already sold out.

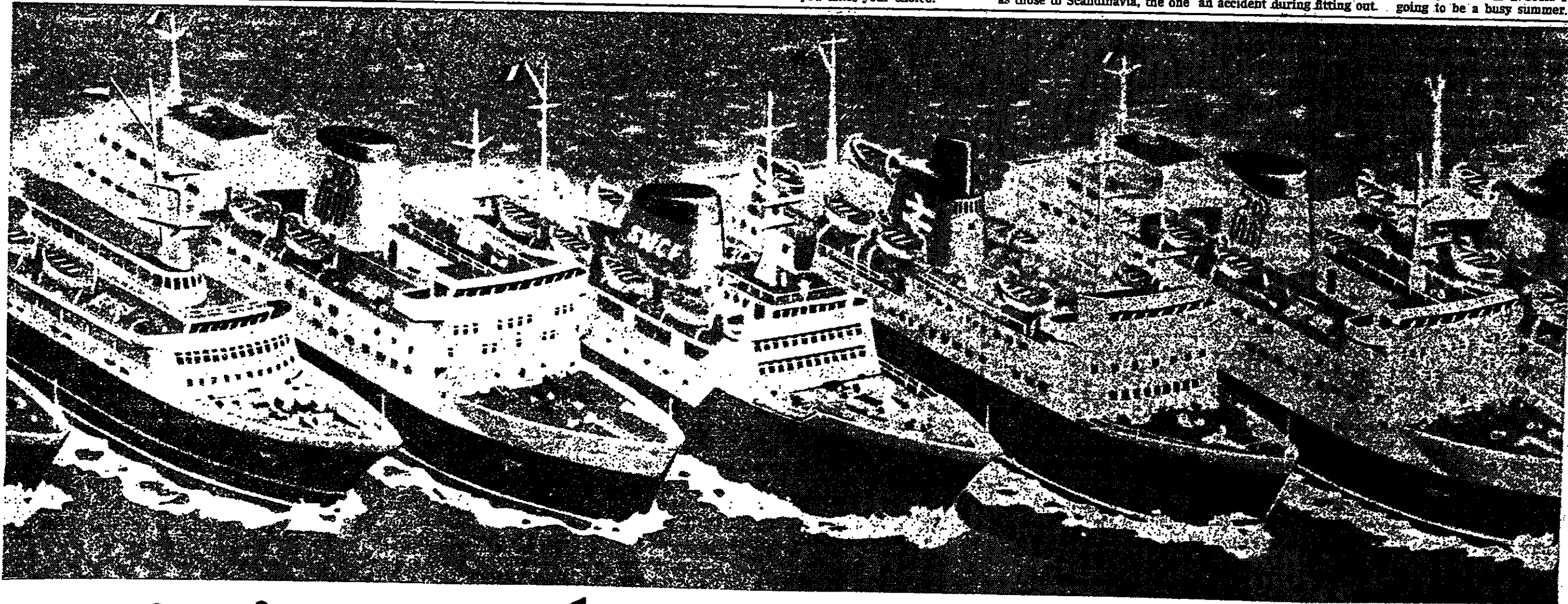
One operator certain to increase its traffic volume this year is Seaspeed, the British Rail-French Rail hovercraft consortium, which had a dismal year in 1977 with losses of advice also varies considerably, around £700,000 after it had taken one of its SRN4 craft out even at peak week-ends it of service for enlargement only ought to be possible to get a replacement, the French-built SEDAM N500 burned out after an accident during fitting out.

This summer, fortune perking, Seaspeed will have back in service the Princess Anne, enlarged from 254 to 418 passenger capacity, along with the "second" French craft with a capacity of 400 passengers and 60 to 65 cars. Seaspeed believes this season will mark the beginning of a new and dramatic incursion into short-distance cross-Channel business for hovercraft. It serves the Boulogne-Calais-Dover triangle.

So the best general advice is probably to weigh up with care the offers on the lines which serve the ports which interest you and then, book. It is going to be a busy summer.



British Rail's ferry St. Edmund at Harwich.



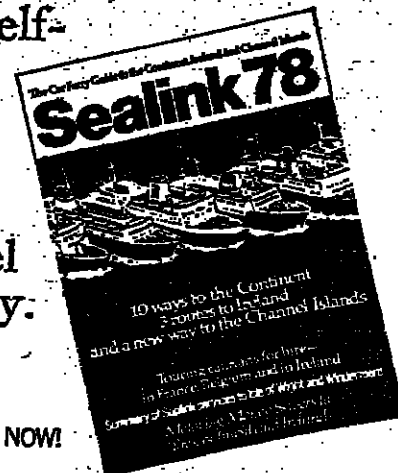
# you're just a sailing away with Sealink.

Special reductions in camping equipment hire through Sealink and Black's Camping and Leisure.

Great value touring caravan hire in France or Belgium. We supply the caravan. You use your own car and save on the transport costs.

Inclusive motoring holidays in France, in association with the French Travel Service. This is a whole new

programme called 'Les Vacances Vertes'. There are self-catering holidays in Gîtes (typical French country cottages and apartments), in caravans and in tents. Alternatively, there are motoring tours with accommodation in hotels and guest-houses booked for you. Get the Sealink '78 brochure from your Sealink Travel Agent—it's worth paying a visit now and planning early.



FROM YOUR SEALINK TRAVEL AGENT NOW!

<b>7 FOLKESTONE CALAIS</b> A handy alternative to Dover. Folkestone is fast becoming Britain's No. 1 caravan port.	<b>8 FOLKESTONE BOULOGNE</b> The most popular 'short-stay' route, ideal for Sealink's 24-hour, 60-hour and 5-day motoring excursion tickets. Crossing time about 100 minutes.	<b>9 NEWHAVEN DIEPPE</b> The fastest direct route to you live in Surrey and Sussex.	<b>10 WEYMOUTH CHERBOURG</b> The shortest route to Cherbourg with good road access from the Midlands, the South West and Wales. Plenty of offers, and caravans at up to half rate on all sailings.
---	--	--	---

## Sealink EUROPE

We'll show you the way

Sealink



## CARS TO FRANCE GO CHEAPER WITH ME.

SAYS NORMAN D.

For 1978, P&O Normandy Ferries are actually reducing some of their fares.

So before you book your crossing to France, compare the cost of taking your car with us and with other ferry companies.

You may well find that P&O Normandy Ferries is the cheapest way for you to go. And what a way to go.

All ships on our Dover-Boulogne and Southampton-Le Havre routes have bars, self-service restaurants and duty-free shops.

On the Southampton-Le Havre route you even get a choice of sleeping accommodation. Either redining sleeper seats, included in your fare, unique to P&O Normandy Ferries. Or couchettes or cabins if you pay slightly more.

So, as you can see, you needn't get less of a ferry service when you pay less for your ticket.

I'd like to know more about the cheap, comfortable way to France. Please send me my free colour brochure.

Send to: P&O Normandy Ferries, Box 2, Feltham, Middx. TW14 0TG. Tel: 0703 34141.

Name \_\_\_\_\_

Address \_\_\_\_\_

FT21/1

**P&O Normandy Ferries**  
DOVER-BOULOGNE SOUTHAMPTON-LE HAVRE

### CAR HOLIDAYS

#### ABROAD

Channel crossing for 2 with car of any length, 2 nights B & B, insurance, maps etc., from £23. Further nights B & B or demi-pension bookable in happy little French hotels from around £5 a night.

Ring Hertford (0922) 59923 or write: CAR HOLIDAYS ABROAD, Bell Plain 338, Hertford SG14 1DY.

### PARAGON HOLIDAYS

#### OFFERS

#### 'GO AS YOU PLEASE' IN FRANCE

Take your own car or Fly/Drive in the beautiful, unspoilt regions - Auvergne, Pyrenees or Aquitaine. Breakfast & Price List 84 Guildford St., Chertsey, Tel: 61398

## The take-it-easy 600 mile drive.

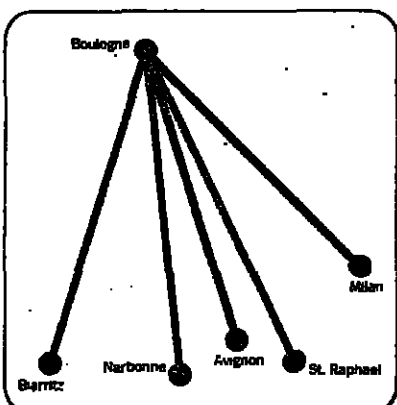
If you enjoy pottering through France in your car, carry on - you'll have a lot of fun. But when you're making a dash for the sunshine and beaches, French Motorail is the take-it-easy answer.

We'll speed you from Boulogne to five convenient centres during the summer (and to 14 more from Paris) while you and your family sleep the night away in comfort, saving you the effort and aggro of a 600 mile drive to the south.

Not to mention the petrol, tolls and overnight stops. What's more, you'll gain a whole day's holiday, there and back.

And if you're taking the children, ask about our Family Tickets - they could save you money on the fares. Bonnes vacances!

Not taking your car? Our 'France-Vacances' railover ticket offers you the freedom of French Railways for 9 days, 16 days or a month from £47.90.



Please send me details of the following: Tick brochures required. Motorail Services ☐ Sealink Car Ferries and Seaspacer Hovercraft ☐ 'France-Vacances' ☐ Inclusive Holidays ☐ General Timetable and Fares List (including London-Paris ☐ Silver Arrow ☐

Name \_\_\_\_\_

Address \_\_\_\_\_

FT21/1/78

**French Motorail** French Railways Limited, 179 Piccadilly, London W1V 0BA

## Wavemaking reductions to Germany!

We're offering up to 19% fare reductions in '78! Great car savings and big reductions on through fares to Scandinavia, too! And now, breathtaking holidays when you get there: fine hotels, motoring tours, country guesthouses, self-catering holidays, and city trips, to name only a few. Fill in this coupon for our colourful brochure and timetable!

Please send me your 1978 Timetable. Tick box if you require: Holiday Programme ☐ Through fares to Scandinavia ☐

Name \_\_\_\_\_

Address \_\_\_\_\_

FT 1

Prins Ferries, 13/14 Queen Street, Mayfair, London W1X 8BA. Tel: 01-493 9017



## TAKING YOUR CAR ON HOLIDAY IV

# Increasing the variety

BY SYLVIE NICKELS

IT IS JUST 50 years ago since, with significant results, a private car was damaged while being crane-loaded on to the mail boat from Dover to Calais. The incident prompted its owner to buy a collier called the *Artificer* and set up his own ferry service. It carried 15 cars and a limited number of passengers; and it transported 8,000 cars in the first year. Surplus passengers travelled on the mail boat.

### Sophisticated

The car owner was Captain Stuart M. Townsend, whose name is still perpetuated by the company which is today British Rail's biggest rival on the short sea ferry routes. Townsend's (now Townsend Thoresen) were not quite the first, however, to take the bold step of abolishing the crane. In 1946, the Atlantic Steam Navigation Company acquired three tank landing ships, converted them and began ferrying vehicles and equipment to the British forces in Germany. Two years later, the company's Transport Ferry Service launched the first drive-on drive-off route for commercial traffic. Now a sister company of Townsend Thoresen in the European Ferries Group, TFS continues to operate a highly sophisticated roll-on roll-off service, with a limited number of passengers, between Felixstowe and Rotterdam's Europoort.

As we have seen, much has happened since those early days. Perhaps the most surprising

thing, given our geographical status, is that it took so long to happen. That Scandinavian interests have played such a prominent part in the development of our new and old routes is less surprising when one thinks of how long a well-organised network of car ferries has existed in the Baltic and its ramifications. Denmark, Sweden, Finland and their many islands are linked by a fleet of floating transport which, incidentally, can add a great deal of pleasure to a Nordic tour.

My first experience of these was nearly 20 years ago on a freezing January night as we nosed our way between Stockholm and the south-west Finnish port of Turku. My notes from that occasion give an awesome account of screaming winds, swirling snow and the groan of the Baltic ice; but, bad sailor though I am, it was enormously exhilarating. There have been innumerable crossings since then in all seasons and by most routes, and the summer evenings of golden light on the pink granite, green pastures and dark forests of the archipelagoes have left some of the most lasting travel memories.

The Scandinavians take the

vicissitudes of their seasons stoically. Problems are there to be solved; in order to travel through ice you must break it, and so they—and especially the Finns—have developed a reputation for building ice breakers that are second to none. It is a rather nice piece of one-upmanship that one of Europe's smallest countries (in terms of population) has produced an ice-breaker which is also the largest, fastest, most modern car and passenger ferry not only in the Baltic, but in the world.

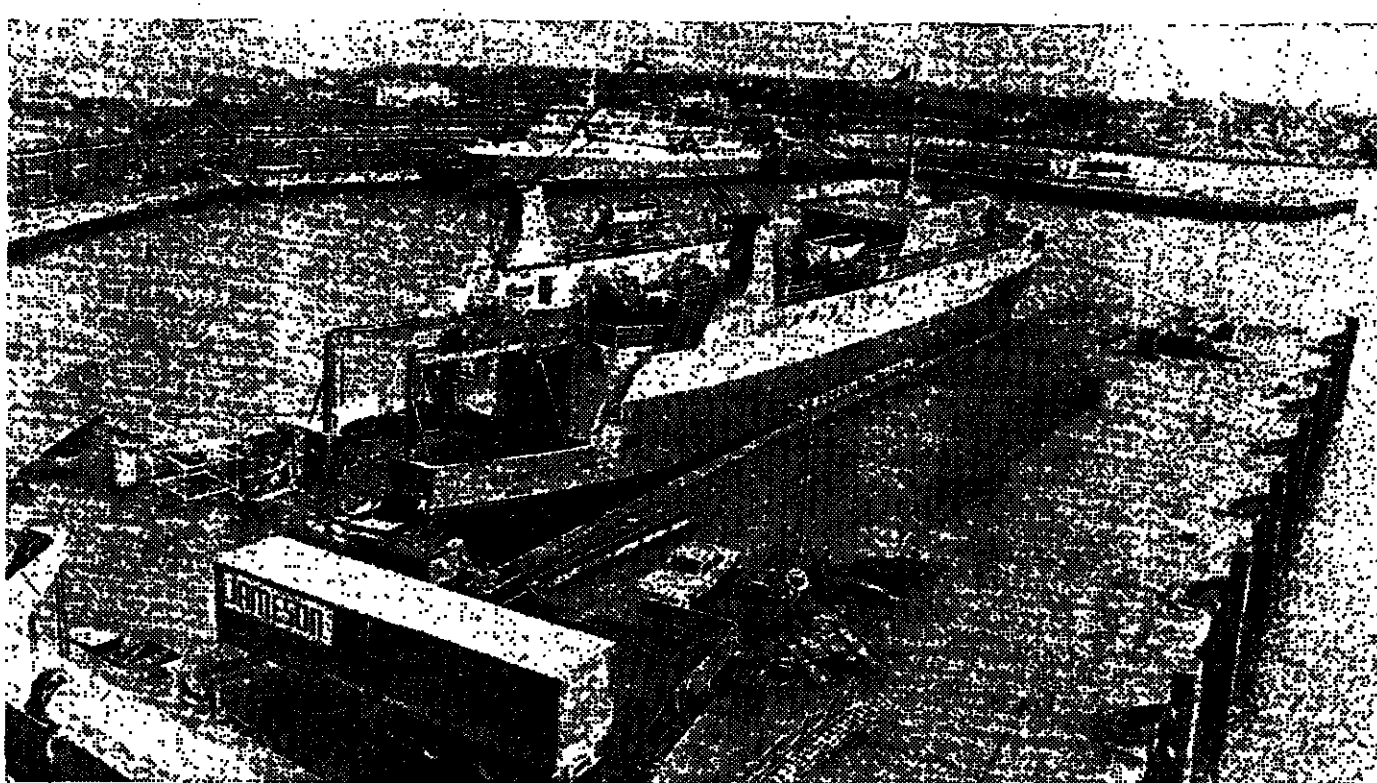
### Familiar

The Finnjet, built in Finland's Wärtsilä shipyards, where her growth behind a bristle of scaffolding became a familiar part of the Helsinki waterfront scene, was brought into service early last summer. Powered by two gas turbine engines, modified versions of aero jet engines, together generating 75,000 horsepower, she has been described as a ship of the future. Certainly she makes an impact on the present, with her 23,000 gross tonnage, 700-foot length, cabin space for 1,532 passengers and car deck capacity for 350 cars.



Southern Ferries' Eagle.

The passengers themselves, youngsters. As a floating conference centre, she can also cater for up to 400, with all the up into the Lapland wilderness that this entails. Businessmen Helsinki is also a popular launching point for visa-free cruises to the USSR. All manner of other combinations can be made by motorised ferries for the explorers of these northern reaches of Europe, and information on the range of ferry services is available from the national tourist offices concerned. Further information on Finnjet is one of the Finnlines fleet. Its significance for the U.K. traveller is made even greater by an excellent tie-up with Prins Ferries' Harwich-Bremerhaven national tourist offices. Through-fares are available, with special rates for children, or without car, and these are incorporated in a number of package arrangements ex-U.K., W1A 1EB.



Southampton docks.

### CANVAS HOLIDAYS

Benefit from our 12 years experience in providing holidays in luxury frame tents on 42 top sites in: Brittany, Dordogne, Loire, Mediterranean, Paris, etc. also in Italy, Switzerland and Austria.

24 unique value-for-money ferry plus hotel 'Travelplans'. Choose any crossing: go any day; stay as long as you wish. Ferry under £50 each for a family of 2 + 2, including 12 nights in camps, 2 in hotels, ferry (car of any length), insurance, etc.

Do write for brochure: CANVAS HOLIDAYS, Bell Plain 337, Hertford SG14 1DY. Tel: 0922 59923 (24 hrs.).

### VILLAS IN FRANCE

FOR THE CONNOISSEURS AND THE BUDGET CONSCIOUS. Mooring holidays from £43 by Air France scheduled flights from £74. Very large selection of villas and apartments on the coastal resorts in Brittany, Atlantic Coast, Basque coast and South of France.

Write or phone for free colour brochure: SILVAIR HOLIDAYS LTD., Silvaire House, 13/15 King Street, Luton, Beds. LU1 2DW. 24-hour brochure service—tel.: 0452 412131. APT 2478

## Irish choose a slower pace

BY PAUL MARTIN

IT WAS completely by chance that I visited the Republic of Ireland for the first time five years ago and I have since returned there each year with increasing pleasure and a deeper appreciation of all that the country has to offer.

While no one should attempt to dismiss the problems that still exist in N. Ireland, they have little immediate impact in the Republic as the visitor or, in Irish terms, "the friend," seldom hears about them while spending a holiday in that green land where the slower pace of life is one immediate blessing.

### Rural

Motoring in Ireland is a delight, again always provided that you slow down to the Irish tempo and are prepared to wait patiently while the occasional stray or a herd of cows crosses the road in front of you in a fairly unregimented fashion. With cows more numerous than fellow motorists, it is all part of the winding-down process. Although there are countless excellent package arrangements to Ireland, including a wide range of farmhouse holidays where you come into close contact with what is still a predominantly rural community, you will always reap the maximum holiday harvest if you either take your own wheels across the Irish Sea or hire a car on arrival.

As I have spent more time in Cork, Kerry and Clare and always enjoy travelling by sea, the overnight crossing from Swansea, operated by B and I Line, provides its own built-in bonus with the lovely early morning approach up the River Lee, past the cathedral at Cobh, before you tie up close to Blackrock Castle at Cork Ferryport—and enter the gateway to

the darling countryside of Southern Ireland.

In addition to their Swansea-Cork services, B&I also operate regular car and passenger services between Liverpool and Dublin and, with an economy fare applying throughout the year with the exception of mid-July to mid-September, the rates are effectively lower than two years ago. Last year's figures were excellent and both the car ferry operators and the Irish Tourist Board are anticipating an increase in traffic this year.

If you have only limited time at your disposal, B&I has recently introduced a new Weekend fare of £45 return, covering two people and a car, valid until May 1 with the exception of the Easter week-end. This fare covers any sailing from Liverpool on the Friday morning with the proviso that you must return on the Monday. It does not apply from Dublin to Liverpool.

B&I have also tied up some very advantageous rates with Avis under the brand name of Sail 'N' Rent. Under this system you can either hire the car in the U.K. or collect one on arrival in Dublin or Cork. In the peak period (July 1-September 30) the weekly cost for the hire of a Ford Escort is £38 per head, based on four people travelling together. Outside this peak period the hire charge goes down to £26.50 per head. In all cases this B&I/Avis package includes the return crossing either from Liverpool to Dublin or from Swansea to Cork.

A wide range of motoring holidays, linked to B&I's routes, is available from Carairland Tours. If you want to savour the beauty of the countryside and sample Irish hospitality, you can cross on either route and spend a week on an Irish farm for as little as £59 per head providing four of you are travelling together. These rates—the price

goes up to £71.50 per head for a party of four travelling between July 11 and September 11—include return travel with a car of any length and seven days half-board accommodation at the farmhouse of your choice.

This is just one example of the many variations available and, if you opt for a luxury caravan with a party of four on a self-catering basis, the rates vary between £31.50 in the low season and £48.50 per person during the peak months of July and August.

Again taking the peak period of July and August, the inclusive price for this self-catering package, using Sealink on either the Holyhead-Dun Laoghaire or the short Fishguard-Rosslare crossing, works out at £67.25 per head, with five people in the party, including passenger fares and a car of any length for a fortnight's holiday. With only three travelling together and on the same basis, a week in the lovely month of May costs £40.25. B&I, Carairland, Sealink and the Irish Tourist Board will provide further information on request.

### International

Finally, in response to all those mutterings about the non-availability of duty-free goods on what is, by any definition, an international route, the whole question has now been taken up by the two governments to see if, in the words of a recent Press release, "they could give the green light fairly soon."

ADDRESSES: B&I Ltd., 155, Regent Street, London W1R 1ED. Carairland Tours Ltd., 52 Poland Street, London W1. Irish Tourist Board, 150/151 New Bond Street, London W1Y 0AQ. Sealink Travel Ltd., Inclusive Tours Section, London SW1V 1JX.

## Cruise magnificently to Mexico. By P&O

Fly to Los Angeles and there join the luxurious cruise liner 'Pacific Princess' for an unbelievable cruise south, down the West coast. You'll visit four charming old world Mexican towns and fabulous Acapulco. Fly back from L.A.—and you'll have stayed there too! 15 nights from £1030.

Or you can have a shorter cruise, by staying 3 nights in Acapulco and 3 nights in Mexico City in first class hotels. Fly home from Mexico City 15 nights from £997.

Departures on selected Saturdays until 20 May 1978. Ask your ABTA Travel Agent for The 'P&O World Cruise 77/78' brochure or ring P&O 01-377 9270.

**P&O Princess Cruises**

## SOUTH OF FRANCE

A selection of privately owned villas with pools.

## PALMER & PARKER HOLIDAYS

63 GROSVENOR STREET, W1.

Brochures: (0803) 864140 — 24 hours.

### EUROCAMP IN FRANCE

#### Best Sites, Best Tents

#### Best Equipment

Specialty designed, pre-erected fully equipped tents await you on the finest sites in France. Choose from 15 locations. Chateau grounds, lakeside, seaside. Prices include car ferry, site fees, insurance, courier service. Brochure from: EUROCAMP, Knutsford 49, Cheshire (0563 52444).

### SWANS MOTORING

#### HOLIDAYS

1 week from an amazing £25 including cross-Channel ferry and accommodation. Children's holidays from £40. Super holiday villages and hotels in Spain, Italy, Austria, Switzerland and France. Brochure from: Dept. F.T., Swan Tours, 329 Putney Bridge Road, London SW15 2PL, or telephone 01-789 5241.







## Grand Metropolitan climbs to £77.8m.

is 150



## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

A consortium comprising Rothchild Investment Trust, Lord Russell and Sipef SA has made a £17.5m cash bid for the Sumatra, a plantation company managed by overseasers Harrison and Crossfield. The 110p share bid will be made by a company created for the purpose, which will be owned 50 per cent by Lord Russell, 45 per cent by the Belgian Sipef SA, and 10 per cent by Rothchild Investment Trust.

A fierce battle looks to be in prospect following a £12.5m over bid by Comet Radiovision for Henry Wigfall. The offer, which was rushed out because of mounting stock market speculation, brought a cold response from the Board of Wigfall, who claim that it can muster votes in respect of over 50 per cent of the capital to maintain the company's independence.

The offer comprises two Comet Ordinary shares plus £10 in for every five Ordinary shares of Wigfall.

Pride and Clarke has agreed to a proposed merger with the acquisition of Pride and Clarke, which has the choice of importing Toyota cars, is seen by Inchcape as a vital step in its efforts to establish "a balanced U.K. motor business". The terms of the £10.8m offer are: £5.25 for each share and Clarke Ordinary or 144 Inchcape Ordinary for every £10 of the offer.

The Directors of Madame Tussaud's have now reached agreement on increased terms from S. Pearson. The latter's new offer of 5p in cash or 65p nominal of a new party Convertible Loan £199.98. The offer, which compares with Pearson's initial offer of 45p, will be raised by a further £2.038p per share by the offer of shares to be allowed to retain the final dividend.

McKeechie Bros. has offered £1.7m for Frederick W. Evans. The offer is being made by the Directors, who, together with shareholders, have pledged acceptances in respect of over 90 per cent of the company's capital.

The Talbot Group is making an agreed share exchange offer of £1.5m for the £10.8m offer. The offer is seen as an alternative to a fundraising exercise because Warren is a cash company. Shareholders are being offered 28 ex shares for every ten Ordinary held.

Plans to redevelop the London Pavilion cinema site in adilly Circus have sparked off two take-over bids for the

cinema operating company. The first bid of 300p a share from Electricity Supply Nominees was quickly countered by Mr. Victor Sandelson, the stockbroker, who offered 350p a share. The bids, however, seem unlikely to get off the ground because London Pavilion, which controls 60 per cent of the capital, quickly rejected both offers.

On behalf of investment clients, Cazenove and Co. has bought approximately 2.8m. Ordinary shares in Updown Investment at 58p per share and is extending the offer to all other shareholders.

Value of bid per share\*\* Price before bid (p) Value of bid (p) Bidder Final Acq't date

Company bid for	Value of bid per share**	Price before bid (p)	Value of bid (p)	Bidder	Final Acq't date
Newman Granger	35*	35	37 1/2	Bullough	—
Fontaine	44 1/2	42 1/2	38 1/2	Coral Leisure	—
Pride & Clarke	52 1/2	51 1/2	58 1/2	Inchcape	—
Sumatra	36 3/4	32 1/2	38	Chiefman	—
Sipef (G.)	400*	387	285	Andrew Weir	—
Tyneside Inv.	105	101	102	Cartell Inv.	—
Updown Inv.	58*	60	54	Cazenove & Co.	—
Warren (Jas.)	54.8	53 1/2	63	Talbot	—
Wigfall (H.)	24 1/2	23	18 1/2	Comet Radio	—

\* All cash offer. \*\* Cash alternative. † Partial bid. § For capital not already held. ‡ Combined market capitalisation. § Date on which scheme is expected to become operative. \* Based on 10/1/78. † At suspension. ‡ Estimated. § Shares and cash. ¶ Based on 20/1/78.

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Abbey Panels	Sept. 30	484 1/2	10.1	2.54 (2.25)
Albion	Sept. 30	325 1/2	10.1	2.54 (2.25)
Anglo TV	Sept. 30	2,672 (2,410)	18.4	4.17 (3.73)
Associated Paper	Oct. 1	1,799 (480.1)	8.1	2.88 (1.2)
Bank Leumi (UK)	Dec. 31	224 (229)	6	2.84 (1.25)
Bourdon Eng.	Oct. 31	322 (310)	6.1	2.84 (1.25)
British Group	Sept. 30	907 (813)	7.0	2.84 (1.25)
Corn Exchange	Dec. 31	335 (318)	5.7	1.97 (1.78)
Cornwall Prop.	Sept. 30	243 1/2	10.1	2.54 (2.25)
Cowley	Sept. 30	1,402 (1,368)	10.6	2.54 (2.25)
Everard Brw.	Sept. 30	888 (724)	18.8	4.17 (3.73)
Fluoride	Sept. 30	820 (787)	10.7	2.54 (2.25)
French	Oct. 1	1,270 (1,094)	15.7	3.18 (2.54)
George SA	Nov. 30	2,377 (2,018)	18.4	4.17 (3.73)
Healy	Sept. 30	4,232 (1,808)	26.7	6.31 (5.81)
Lookers	Sept. 30	1,440 (1,180)	20.3	4.17 (3.73)
Macmillan	Oct. 31	191 (158)	2.7	0.81 (0.71)
Midland Hdg.	Oct. 31	1,158 (1,198)	18.2	4.17 (3.73)
McWullen	Oct. 1	1,458 (1,198)	18.2	4.17 (3.73)
Rakusen	June 30	28 (178)	1.8	0.81 (0.71)
Spencer Clark	Sept. 30	304 (278)	2.7	0.81 (0.71)
Trident	Sept. 30	7,380 (4,880)	7.6	2.54 (2.25)
Warner Estate	Sept. 30	798 (735)	4.0	2.54 (2.25)
Westinghouse	Oct. 1	5,620 (4,521)	9.5	2.54 (2.25)
Whitings	Sept. 30	660 (465)	7.8	2.54 (2.25)

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Abbey Panels	Sept. 30	484 1/2	10.1	2.54 (2.25)
Albion	Sept. 30	325 1/2	10.1	2.54 (2.25)
Anglo TV	Sept. 30	2,672 (2,410)	18.4	4.17 (3.73)
Associated Paper	Oct. 1	1,799 (480.1)	8.1	2.88 (1.2)
Bank Leumi (UK)	Dec. 31	224 (229)	6	2.84 (1.25)
Bourdon Eng.	Oct. 31	322 (310)	6.1	2.84 (1.25)
British Group	Sept. 30	907 (813)	7.0	2.84 (1.25)
Corn Exchange	Dec. 31	335 (318)	5.7	1.97 (1.78)
Cornwall Prop.	Sept. 30	243 1/2	10.1	2.54 (2.25)
Cowley	Sept. 30	1,402 (1,368)	10.6	2.54 (2.25)
Everard Brw.	Sept. 30	888 (724)	18.8	4.17 (3.73)
Fluoride	Sept. 30	820 (787)	10.7	2.54 (2.25)
French	Oct. 1	1,270 (1,094)	15.7	3.18 (2.54)
George SA	Nov. 30	2,377 (2,018)	18.4	4.17 (3.73)
Healy	Sept. 30	4,232 (1,808)	26.7	6.31 (5.81)
Lookers	Sept. 30	1,440 (1,180)	20.3	4.17 (3.73)
Macmillan	Oct. 31	191 (158)	2.7	0.81 (0.71)
Midland Hdg.	Oct. 31	1,158 (1,198)	18.2	4.17 (3.73)
McWullen	Oct. 1	1,458 (1,198)	18.2	4.17 (3.73)
Rakusen	June 30	28 (178)	1.8	0.81 (0.71)
Spencer Clark	Sept. 30	304 (278)	2.7	0.81 (0.71)
Trident	Sept. 30	7,380 (4,880)	7.6	2.54 (2.25)
Warner Estate	Sept. 30	798 (735)	4.0	2.54 (2.25)
Westinghouse	Oct. 1	5,620 (4,521)	9.5	2.54 (2.25)
Whitings	Sept. 30	660 (465)	7.8	2.54 (2.25)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Allied Colloids	Oct. 1	2,360 (2,080)	0.57 (0.51)
Allied Retailers	Oct. 1	1,810 (1,200)	2.9 (1.5)
Amalgamated Stores	Sept. 30	12 (42)L	Nil (Nil)
Amber Day	Oct. 31	615 (555)	0.733 (0.667)
Assoc. Tooling	Aug. 31	57 (61)	1.1 (1.1)
Best & May	Oct. 31	158 (93)	0.365 (0.774)
BET	Sept. 30	28,016 (24,508)	1.694 (1.34)
Burt Boulton	Sept. 30	628 (646)	3.5 (3.5)
Cont. Stationary	Sept. 30	114 (100)	0.9 (0.7)
Courts (Friesles)	Sept. 30	2,197 (1,850)	1.537 (1.415)
Cray Electronics	Oct. 31	213 (210)	0.51 (0.51)
Croch Group	Sept. 30	259 (273)	0.808 (0.894)
F. B. Eastwood	Nov. 12	4,766 (4,480)	0.905 (0.825)
G. P. France	Sept. 30	99 (92)	— (—)
A. J. Geller	Sept. 30	260 (254)	1.2 (1.12)
Howard Shuttling	Sept. 30	1,430 (1,430)	1.7 (1.35)
Magnet & Sthers	Oct. 31	7,080 (7,112)	3.5 (3.0)
Marston, Thompson	Sept. 30	2,181 (1,784)	0.768 (0.688)
Melody Mills	Sept. 30	916 (851)	2.5 (2.0)
Neilsen Newmark	Oct. 31	33 (183)	0.27 (0.27)
RTD Group	Aug. 31	157 (121)	Nil (Nil)
Robert Alexander	Sept. 30	1,904 (1,904)	2.165 (1.925)
Wellman Eng.	Sept. 30	449 (474)	1.15 (1.045)
Western Board	Sept. 30	423 (300)	1.2 (1.1)
Wilson Peck	Sept. 30	111 (141)	Nil (Nil)
V. Wrighton	Sept. 30	2 (18)	— (—)
Zetters	Sept. 30	361 (377)	— (—)

(Figures in parentheses are for corresponding period)  
Dividends shown net except where otherwise stated.  
\* Adjusted for any intervening scrip issue. † First interim of 1.5p already paid. ‡ For 52 weeks. § For 53 weeks. ¶ For one year. For 15 months. † Not given. ‡ For 23 weeks throughout. L Loss.

## Rights Issues

Crystalline (Holdings): One-for-two at 10p each.

James Neill Holdings: One-for-three at 84p each.

## BIDS AND DEALS

## Consortium will pay up to 10p for Harcross shares

Y JAMES BARTHOLOMEW

A battleground in the war of wits between the consortium of Rothchild Investment Trust, Lord Russell and Sipef SA and the consortium of Harrison and Crossfield, which is being led by the consortium of Lord Russell and Sipef SA, has been opened up by the consortium of Lord Russell and Sipef SA. The consortium of Lord Russell and Sipef SA has offered 10p for each share of Harcross, a company which is being sold by the consortium of Lord Russell and Sipef SA. The consortium of Lord Russell and Sipef SA has offered 10p for each share of Harcross, a company which is being sold by the consortium of Lord Russell and Sipef SA.

caused Lazard's, the advisers for the consortium of Lord Russell and Sipef SA, to withdraw its unconditional recommendation of the bid. Lazard's still considers the 82p bid to be fair but added that shareholders might prefer to take 90p in the market.

Mr. Rothchild's camp now has to have high hopes of winning the bid or else forcing out a rival offer.

A question then arises of the Rothchild consortium of Lord Russell and Sipef SA, which controls approximately 54 per cent of the capital of Clifton Investments, and certain parties which may lead to the disposal of the company's entire interest in Clifton.

Mr. Rothchild is given to understand that the parties are not acting in concert and that none of the parties intend to make a bid for the remaining capital of Clifton.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

ATV WITHDRAWS FROM TUSAUD'S HANDS  
The Ladbroke Group is withdrawing its stake in the company which is being sold by the consortium of Lord Russell and Sipef SA.

## Scheme for shift in Gadek Malaysia holdings

The directors of Gadek Malaysia are to propose a scheme of arrangement which will result in the company being owned 30 per cent by the U.K. public, 40 per cent by Batu Kawan Berhad and 30 per cent by indigenous Malaysian ("Bumiputra") investors. They then hope to make the company acceptable under the Malaysian Government's plan to induce greater local control.

At present Gadek is owned 49.1 per cent by Batu Kawan and 50.9 per cent by the public. The scheme will need to be approved by the public shareholders for the necessary resolutions to be passed. There will be a meeting of the public holders excluding Batu Kawan prior to an EGM of all Gadek holders.

The directors have chosen to propose that Batu Kawan should obtain more of the company's shares in the new Malaysia Bank. The scheme is understood to be because Batu Kawan will not receive the benefit of the investment currency premium which is available to U.K. holders and because the U.K. holders will be able to obtain more of the company's shares in the new Malaysia Bank. The scheme is understood to be because Batu Kawan will not receive the benefit of the investment currency premium which is available to U.K. holders and because the U.K. holders will be able to obtain more of the company's shares in the new Malaysia Bank.

The terms of the scheme are that every 100 publicly-held shares will be exchanged for 27 shares in the new Malaysia Bank. Gadek Malaysia Bhd, together with S&M90m, nominal of new 10 £1.750 stock.

Batu Kawan has undertaken to reserve 30 per cent of the shares in the new Malaysia Bank. It receives for onward sale to indigenous investors at par, namely £21 per share.

United Dominions Trust—London and Manchester Assurance has acquired further 17,500 3.15 per cent cum Preference shares, increasing holding to 83,500 (18.5 per cent).

John Laing and Son—Due to his retirement as trustee of the Kirby Laing Trust, Sir John Laing is no longer trustee of £672,224 Ordinary interest payments are more share favourably treated under the double taxation rules between the U.K. and Malaysia than dividend income.

R. P. Martin—P. J. Watling, director, has sold 30,000 shares which were under his control.

Chatterhouse Janet has acquired 6,882,000 Pensions Ordinary shares (£7.74 per cent), between January 6 and 12.

## F.T.-ACTUARIES SHARE INDICES QUARTERLY VALUATION

The market capitalisation of the sub-sections of the F.T.-Actuaries shares indices as at Dec. 30, 1977 published in our issue of Jan. 7 was mistakenly calculated using the market prices as at Dec. 29. The corrected figures are shown below together with the corresponding figures after the reclassifications and regroupings which became effective in the new year and detailed in our issue of Dec. 29. Figures for Sept. 30, 1977, valuation are shown for comparison purposes.

EQUITY GROUPS & SUB-SECTIONS		Market capitalisation as at Dec. 30, 1977 (£m.)	% of all shares	Market capitalisation as at Dec. 30, 1977 (£m.)	% of all shares	Market capitalisation as at Sept. 30, 1977 (£m.)	% of all shares
Figures in parentheses denote number of stocks							
<b>CAPITAL GOODS GROUP (170)</b> ...							
Building Materials (27)	8,467.3	15.03	8,528.5	15.15	8,524.8	14.74	
Contracting and Construction (36)	1,633.4	2.78	1,698.8	2.84	1,554.8	2.83	
Electricals (15)	869.7	1.52	859.7	1.52	816.7	1.42	
Engineering Contractors (13)	2,845.4	5.09	2,845.4	5.09	2,816.9	4.83	
Engineering (Heavy) (9)	382.9	0.68	—	—	—	—	
Engineering (General) (67)	—	—	299.2	0.55	309.4	0.54	
Mechanical Engineering (23)	2,348.5	4.17	—	—	—	—	
Engineering (General) (72)	—	—	8,675.0	15.15	8,610.7	14.86	
Machine and Other Tools (8)	—	—	107.6	0.19	111.3	0.19	
Metals and Metal Forming (17)	1,066.8	1.85	—	—	—	—	
Miscellaneous (20)	—	—	738.8	1.31	622.4	1.08	
<b>CONSUMER GOODS (DURABLES) GROUP (53)</b> ...							
Lt. Electronics, Radio and TV (15)	2,512.5	4.46	2,404.6	4.41	2,572.6	4.45	
Household Goods (12)	1,408.2	2.50	1,408.2	2.50	1,449.8	2.51	
Motors and Distributors (26)	321.3	0.59	281.3	0.50	282.5	0.50	
	883.0	1.57	855.1	1.52	900.5	1.56	
<b>CONSUMER GOODS (NON-DURABLES) GROUP (175)</b> ...							
Breweries (14)	16,780.1	27.91	16,314.5	27.19	15,371.3	26.98	
Wines and Spirits (6)	1,093.5	1.95	1,093.5	1.95	1,071.2	1.73	
Entertainment and Catering (17)	813.0	1.41	815.0	1.41	792.6	1.27	
Food Manufacturing (22)	1,144.7	2.03	1,144.7	2.03	1,088.6	1.88	
Food Retailing (16)	2,037.3	3.61	2,037.3	3.61	2,572.2	4.45	
Newspapers and Publishing (14)	1,023.1	1.81	1,020.1	1.81	1,042.5	1.80	
Packaging and Paper (15)	530.4	0.94	530.4	0.94	506.4	0.89	
Stores (37)	845.5	1.51	845.5	1.51	845.5	1.51	
Textiles (25)	4,457.1	7.91	4,457.1	7.91	4,059.9	7.08	
Tobacco (3)	940.3	1.67	940.3	1.67	882.2	1.56	
Toys and Games (6)	1,847.1	3.29	1,847.1	3.29	1,683.5	2.91	
	86.1	0.15	86.1	0.15	86.1	0.15	
<b>OTHER GROUPS (98)</b> ...							
Chemicals (21)	8,850.6	15.72	9,286.9	16.39	—	—	
Pharmaceutical Products (7)	3,008.2	5.34	4,913.4	8.72	5,278.5	9.15	
Office Equipment (8)	1,909.6	3.39	—	—	—	—	
Shipping (10)	567.2	1.01	567.2	1.01	614.3	1.06	
Miscellaneous (unclassified) (54)	680.2	1.16	650.3	1.16	710.8	1.23	
<b>INDUSTRIAL GROUP (496)</b> ...	27,155.4	48.2	25,550.5	45.5	31,112.5	53.8	
Oil, (4)	35,550.5	63.12	35,550.5	63.12	36,245.3	63.57	
	6,305.3	11.19	6,305.3	11.19	6,930.1	11.41	
<b>500 SHARE INDEX</b> ...							
	41,855.3	74.31	41,855.3	74.31	43,114.4	74.86	
<b>FINANCIAL GROUP (100)</b> ...							
Banks (8)	9,778.2	17.35	9,778.2	17.35	9,993.5	17.15	
Discount Houses (18)	2,861.6	4.55	2,861.6	4.55	2,814.4	4.53	
Hire Purchase (5)	141.3	0.25	145.3	0.25	148.4	0.25	
Insurance (Life) (10)	212.1	0.39	212.1	0.39	229.5	0.40	
Insurance (Composite) (7)	1,036.5	1.84	1,048.5	1.84	1,055.5	1.84	
Insurance (Brokers) (10)	2,611.2	4.64	2,611.2	4.64	2,824.8	4.85	
Merchant Banks (14)	757.2	1.34	757.2	1.34	810.0	1.40	
Property (31)	886.8	0.89	886.8	0.89	912.5	0.71	
Miscellaneous (7)	1,698.4	2.84	1,698.4	2.84	1,533.2	2.65	
	407.1	0.72	407.1	0.72	406.2	0.70	
<b>Investment Trusts (50)</b> ...							
Mining Finance (4)	2,624.2	4.68	2,624.2	4.68	2,705.7	4.78	
Overseas Traders (19)	944.1	1.68	944.1	1.68	991.0	1.71	
	1,110.0	1.97	1,110.0	1.97	1,102.4	1.91	
<b>ALL SHARE INDEX (673)</b> ...							
	56,332.3	100	56,332.3	100	57,896.5	100	
*After allowance made for retained charges.							







## APPOINTMENTS

## New posts at Firth Cleveland and GKN

Mr. P. R. Hamilton, chairman of Firth Cleveland subsidiary group GKN, has been appointed a director of companies comprising the BKL Alloy Division of Firth Cleveland. They are BKL Alloy, BKL Extrusions, BKL Fittings, BKL Pipes, BKL Reinforcements and BKL Reinforcements as sales director. He was previously with H. Robertson (U.K.).

To enable the group to respond actively to opportunities offered by the new relationships with the Arabie et Internationale Investissement and with First Bank Corporation of Texas, L.L. SAMUEL GROUP is being organised into three principal management groups and Mr. Robert Clark will be the chairman of each of them.

Hill Samuel Life and Investment Management, a subsidiary of the group, will be responsible for the direction of Hill Samuel Life Assurance and Hill Samuel Investment Management.

Mr. Clark will be chairman of the latter companies which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

Mr. Samuel, who is also chairman of the latter companies, has been appointed director of the latter companies, which manage funds exceeding £100 million.

marketing and general administration in specific insurance broking areas. Mr. Simon Keavie has been appointed chairman of the new company and Mr. D. G. Lyon is joint deputy chairman and managing director. Mr. Lyon continues as chairman of Thompson Graham and Co. and is also chairman of the Aviation Committee of Lloyd's Insurance Brokers Association. Other members of the Board of Jardine Matheson Insurance Brokers are Mr. R. F. Ambrose (joint deputy chairman), Mr. R. Brown, Mr. D. E. Carbone, Mr. M. P. Dawson, Mr. P. Ford-Robinson, Mr. J. W. Hayter and Mr. T. Moschoglou.

Mr. John A. McDougall has been appointed chairman and Mr. Albert A. Thornburgh, deputy chairman, of MASSEY-FERGUSON, Mr. McDougall, who is chairman and president of Argus Corporation, a Toronto-based investment company, continues as chairman of the executive committee and Mr. Thornburgh as president. In addition, Mr. R. N. R. Jackson, chairman of the Empire Life Insurance Company, of Toronto, has been made a director of Massey-Ferguson.

Mr. Herbert F. Fisher, secretary of the LIVERPOOL VICTORIA FRIENDLY SOCIETY, is to retire from February 12. At the same time he leaves a number of other positions in insurance.

Mr. David Coleman, general manager of ARGUS NEWS PAPERS, has been elected managing director.

Mr. Bill Bowden, education secretary of the National Association of Teachers in Further and Higher Education, has been appointed director of the CENTRE FOR INFORMATION AND ADVANCE ON EDUCATIONAL DISADVANTAGE (CIED).

Mr. D. A. Walker is to become chief of the economic intelligence department at the BANK OF ENGLAND from March 10 on the retirement of Mr. M. J. Thornton.

Mr. Derrick Birtwhistle has joined HENRY BROTHERHOOD as a director of the building division with responsibility for the midland region as its chairman and managing director. He was previously with John Laing and Son.

Mr. Jack Barnett has been appointed group director of personnel for NATIONAL CARRIERS.

Mr. Ronald Hillier has joined SIMON-BARRON (Simon Food Engineering Group) as director responsible for the company's plant contracting. He was previously engineering director of Heenan Environmental Systems.

Mr. Tony de Boer has joined the Board of BEVERLEY ENGINEERING. He is chairman of Attock Petroleum and a director of other companies.

Mr. Andrew Ray has been appointed the first technical director of BOC. He is succeeded by Mr. David Peters as chief executive, engineering division.

Mr. Frederick Long and Mr. J. E. Moffitt have been appointed members of the NORTHERN ECONOMIC PLANNING COUNCIL.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

## Council homes go on sale for £5,000

BIRMINGHAM'S Tory-controlled council is offering 500 council houses for sale at £5,000 each. It has 55,000 unmodernised pre-war houses and about 1300 are left empty each year.

Under a scheme announced yesterday, tenants will be able to buy them at a 30 per cent discount, with 30 per cent knocked off the £7,500 market value.

Ratepayers will be saved the cost of modernising the properties at an average cost of £4,700 each.

Mr. Derek Birtwhistle has joined HENRY BROTHERHOOD as a director of the building division with responsibility for the midland region as its chairman and managing director. He was previously with John Laing and Son.

Mr. Jack Barnett has been appointed group director of personnel for NATIONAL CARRIERS.

Mr. Ronald Hillier has joined SIMON-BARRON (Simon Food Engineering Group) as director responsible for the company's plant contracting. He was previously engineering director of Heenan Environmental Systems.

Mr. Tony de Boer has joined the Board of BEVERLEY ENGINEERING. He is chairman of Attock Petroleum and a director of other companies.

Mr. Andrew Ray has been appointed the first technical director of BOC. He is succeeded by Mr. David Peters as chief executive, engineering division.

Mr. Frederick Long and Mr. J. E. Moffitt have been appointed members of the NORTHERN ECONOMIC PLANNING COUNCIL.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

Mr. Mark Price has been appointed finance director of ALKING MARSHALL and Mr. Peter Quick becomes managing director of Self-Changing Gears, members of the Leyland Special Products group.

Mr. D. E. Welmer has been appointed managing director and chief executive of M. L. ALKAN from February 1 in place of Mr. C. J. C. Smith, who has become chairman and will continue as an executive director until his retirement in October. Mr. B. Essex has resigned as a non-executive director. The company is a member of the Guinness Peat Group.

## Profits up sharply at Alcoa of Australia

By James Forth

ALCOA OF Australia, the integrated aluminium group, boosted its profit almost 53 per cent, from \$42.7m. to \$65.2m. in 1977. The result is four times the 1976 profit of \$16.8m.

The result is due to a buoyant revival from Alcoa's major rival, Comalco, part of the Rio Tinto Zinc group, which is due to report next week.

Alcoa is owned 51 per cent by Aluminium Company of America with Australian companies Western Mining Corporation (20 per cent), BH South (17 per cent), and North BH (12 per cent), holding the remainder.

Alcoa is paying dividends to its shareholders of \$4.33 per share. Sales rose by \$48m. to \$443.8m., mainly from higher shipments and prices, of alumina and aluminium.

Alcoa directors said that most of the company's facilities operated at or near full capacity. The resulting higher cash flows enabled Alcoa to reduce its borrowings, which had been increased to finance expansions completed in 1976.

Directors said that assets of the group were "conservatively" revalued during 1977 resulting in the issue of 125m. free shares.

Westralian Farmers Co-operative (Wesfarmers) today disclosed that it had been prepared to extend an offer for the entire capital of Cuming Smith, obtaining 50.4 per cent of the company through purchases on and off the share market. Wesfarmers had written a letter confirming its intention to offer \$2.46 a share, the highest price paid in the exercise.

Cuming Smith directors called on Wesfarmers to extend an offer after control had been obtained. However, earlier this week the Cuming Smith Board said that legal action was proposed because legal advice suggested Wesfarmers had breached the Companies Act in relation to some of the purchases.

Wesfarmers said the proposed legal action could only be construed as rejection of the approach and Wesfarmers had little alternative but to abandon any intention to make an offer for the remaining shares.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

Wesfarmers would only consider if Smith directors would make an effort to "co-operatively resolve" the outstanding matters.

## Higher profits at Ciba-Geigy

By JOHN WICKS

SWITZERLAND'S largest chemical group, Ciba-Geigy, has increased profits for 1977 on the back of a rise of 5 per cent in turnover to Sw.Frs.9.94bn.

A letter to shareholders of the parent company, Ciba-Geigy AG, states that group profits for 1977 will emerge higher than the Sw.Frs.320m. achieved in 1976, but will still fall short of the levels of 1973 and 1974. The group returned a peak Sw.Frs.567m. in 1973.

The upturning sales is less than the 6 per cent growth reported half-way through last year, due principally to unfavourable developments in foreign-exchange markets. The strength of the Swiss franc last year reduced annual sales growth by five percentage points. Sales and earnings were particularly affected in this way in the fourth quarter of 1977.

A breakdown of group activities shows a 4 per cent increase, to Sw.Frs.2.6bn., in turnover in the pharmaceuticals division.

This was brought about primarily by a rise in sales volume, since there was little or no possibility of increasing prices in a number of countries, says Ciba-Geigy. The agrochemical division was able to make up ground lost in 1976, sales expanding by 8 per cent to Sw.Frs.2.47bn.

In other fields, the sluggish state of business in the textile industry led to an impairment of dyestuff and chemical division sales, which declined by 2 per cent from 1976 levels to Sw.Frs.1.95bn. The plastics and Ilford (Photochemical) divisions both showed "gratifying results", turnover increasing by 11 per cent to Sw.Frs.1.78bn. and by 10 per cent to Sw.Frs.520m., respectively.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

The Airwick division (household products) went through a restructuring phase in 1977 and its turnover remained unchanged at Sw.Frs.390m.

## Ford plant shutdown

DETROIT, Jan. 20.

FORD MOTOR Company said it will close temporarily its Louisville, Kentucky, car assembly plant in an effort to control inventories.

General Motors Corp. and Ford, however, have largely avoided major production adjustments so far, although GM has eliminated much of the overtime it previously planned.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily supply of the company's full sized limited model, which is built at the Louisville facility and two other plants, is about 90 days. A 60 day supply is considered normal by the industry.

Ford's move to close its Louisville facility indicates that the number two auto maker is concerned about the sluggishness of new car sales. The daily



## This week's SE dealings

474	LK Industrial Inv. 60Cp. 37 1/2	Do New 310	5 12 11	Princess Industrial Hldgs. 100.10
034	LRC Inter. 100p 490.3 1/2			Prince of Wales Hotel 120.03
	30 1/2			Pritchard Service Group 33.33
	LWT A NV (25p) 118.20	10 12 13 14		

11 S. War. to Dec. 119c 19	121
12 S. War. 20 (161)	122
13 S. War. 21 (171)	123
14 S. War. 22 (181)	124
15 S. War. 23 (191)	125
16 S. War. 24 (201)	126
17 S. War. 25 (211)	127
18 S. War. 26 (221)	128
19 S. War. 27 (231)	129
20 S. War. 28 (241)	130
21 S. War. 29 (251)	131
22 S. War. 30 (261)	132
23 S. War. 31 (271)	133
24 S. War. 32 (281)	134
25 S. War. 33 (291)	135
26 S. War. 34 (301)	136
27 S. War. 35 (311)	137
28 S. War. 36 (321)	138
29 S. War. 37 (331)	139
30 S. War. 38 (341)	140
31 S. War. 39 (351)	141
32 S. War. 40 (361)	142
33 S. War. 41 (371)	143
34 S. War. 42 (381)	144
35 S. War. 43 (391)	145
36 S. War. 44 (401)	146
37 S. War. 45 (411)	147
38 S. War. 46 (421)	148
39 S. War. 47 (431)	149
40 S. War. 48 (441)	150
41 S. War. 49 (451)	151
42 S. War. 50 (461)	152
43 S. War. 51 (471)	153
44 S. War. 52 (481)	154
45 S. War. 53 (491)	155
46 S. War. 54 (501)	156
47 S. War. 55 (511)	157
48 S. War. 56 (521)	158
49 S. War. 57 (531)	159
50 S. War. 58 (541)	160
51 S. War. 59 (551)	161
52 S. War. 60 (561)	162
53 S. War. 61 (571)	163
54 S. War. 62 (581)	164
55 S. War. 63 (591)	165
56 S. War. 64 (601)	166
57 S. War. 65 (611)	167
58 S. War. 66 (621)	168
59 S. War. 67 (631)	169
60 S. War. 68 (641)	170
61 S. War. 69 (651)	171
62 S. War. 70 (661)	172
63 S. War. 71 (671)	173
64 S. War. 72 (681)	174
65 S. War. 73 (691)	175
66 S. War. 74 (701)	176
67 S. War. 75 (711)	177
68 S. War. 76 (721)	178
69 S. War. 77 (731)	179
70 S. War. 78 (741)	180
71 S. War. 79 (751)	181
72 S. War. 80 (761)	182
73 S. War. 81 (771)	183
74 S. War. 82 (781)	184
75 S. War. 83 (791)	185
76 S. War. 84 (801)	186
77 S. War. 85 (811)	187
78 S. War. 86 (821)	188
79 S. War. 87 (831)	189
80 S. War. 88 (841)	190
81 S. War. 89 (851)	191
82 S. War. 90 (861)	192
83 S. War. 91 (871)	193
84 S. War. 92 (881)	194
85 S. War. 93 (891)	195
86 S. War. 94 (901)	196
87 S. War. 95 (911)	197
88 S. War. 96 (921)	198
89 S. War. 97 (931)	199
90 S. War. 98 (941)	200
91 S. War. 99 (951)	201
92 S. War. 100 (961)	202
93 S. War. 101 (971)	203
94 S. War. 102 (981)	204
95 S. War. 103 (991)	205
96 S. War. 104 (1001)	206
97 S. War. 105 (1011)	207
98 S. War. 106 (1021)	208
99 S. War. 107 (1031)	209
100 S. War. 108 (1041)	210
101 S. War. 109 (1051)	211
102 S. War. 110 (1061)	212
103 S. War. 111 (1071)	213
104 S. War. 112 (1081)	214
105 S. War. 113 (1091)	215
106 S. War. 114 (1101)	216
107 S. War. 115 (1111)	217
108 S. War. 116 (1121)	218
109 S. War. 117 (1131)	219
110 S. War. 118 (1141)	220
111 S. War. 119 (1151)	221
112 S. War. 120 (1161)	222
113 S. War. 121 (1171)	223
114 S. War. 122 (1181)	224
115 S. War. 123 (1191)	225
116 S. War. 124 (1201)	226
117 S. War. 125 (1211)	227
118 S. War. 126 (1221)	228
119 S. War. 127 (1231)	229
120 S. War. 128 (1241)	230
121 S. War. 129 (1251)	231
122 S. War. 130 (1261)	232
123 S. War. 131 (1271)	233
124 S. War. 132 (1281)	234
1	

[illegible][illegible][illegible]

89c (17/11)  
Brigay Co. (Sp) 34c 8 (19/1)  
British-American Tob. 6p 2nd PM. 58 71c  
7p 1c. 86p (19/1)  
British-American Tob. Invest. 10p 1c  
94c 3p. 91p 1c. 131 1c  
E.R.F. (Hidgs.) (25p) 149  
East Midland Allied Press (25p) 74 (19/1)  
A (25p) 74 (18/1)  
Eastern Produce (Hidgs.) (50p) 81. Do.  
Warrants 35 5c. 10p 1c. 77c  
Eastwood (L. & J) (5p) 183 1 4. 10p 1c  
Hudson's Bay NPV £10 4p 10c 10p 9c  
Humphries Hidgs. (25p) 15p (19/1)  
H. M. Mascop (Middleton) (5p) 29c  
17/11  
Hunting Associated Indus. (25p) 21 14p.

[illegible][illegible][illegible]

**FINANCE FOR INDUSTRY TERM DEPOSITS**  
 Deposits of £1,000-£25,000 accepted for  
 12 months interest paid gross, half-yearly. Rates for dep-  
 osits received not later than 3.27.8.  
 Terms (years) 3 4 5 6 7 8 9  
 Interest % 94 92 100 104 101 11 11 1/2  
 Rates for larger amounts on request. Deposits to and fur-  
 ther information from The Chief Liquidator, Finance for Indus-  
 try Ltd., 177, Abchurch Lane, London E.C. 4. Tel. 01-404 1234.  
 FFI is the holder of the "Bank of England" licence.







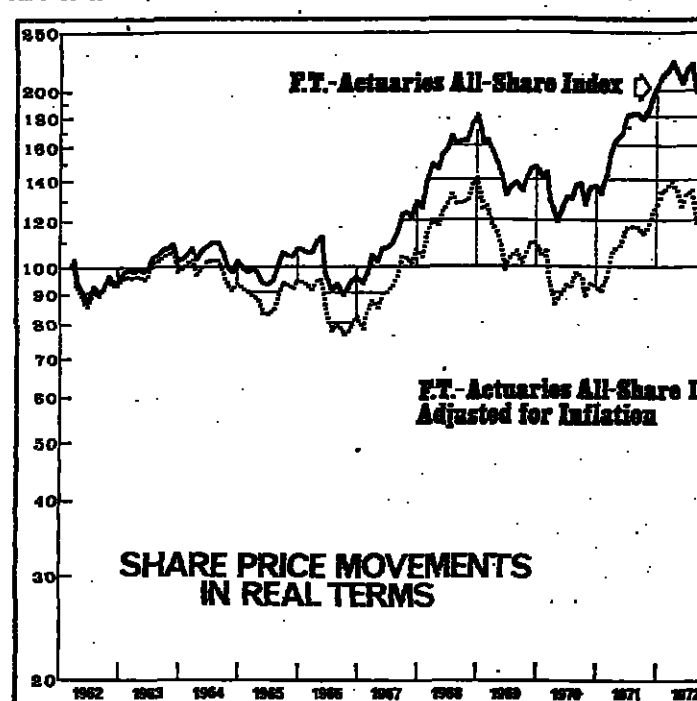
## STOCK EXCHANGE REPORT

Leading equities quietly firm but gilts turn hesitant  
Share index 1.6 harder at 487.6 Properties prominent

Account Dealing Dates  
First Declared Last Account  
Jan. 16 Jan. 26 Jan. 27 Feb. 2  
Jan. 30 Feb. 9 Feb. 10 Feb. 21  
"New time" dealing may take place  
from 1.30 a.m. on business days earlier  
than the present time.  
Despite the absence of a firm  
and from British funds, leading  
equities picked up from an un-  
derstand and closed marginally  
better after another quiet  
trade. Up 3.1 at 2 p.m., the FT  
Industrial Ordinary share index  
ended a net 1.6 up at 487.6, fol-  
lowing a loss of 4.5 over the first  
two weeks of the year.  
Hopes that the money supply  
might be brought back within the  
13 per cent. range before the  
fiscal year-end and the fur-  
ther slowing down in inflation  
marked by the December Retail  
Price Index, announced yesterday,  
failed to stimulate buying interest  
in the Funds. Closing losses  
were limited to 1.1, however,  
and the Government Securities  
index eased to 77.23 for a loss  
on the week of 0.23 and one of  
1.86 since the start of the year.  
Equities were featured again  
in activity in second-line issues  
which, as earlier in the week,  
provided the bulk of the day's  
chief price changes on trading  
statements and speculative  
interest. Price movements in the  
index constituents were narrowly  
mixed, but rises again outnum-  
bered falls, by seven-to-two, in  
all FT-quoted equities and the  
broad-based FT-Actuaries index  
showed widespread small gains.  
Property shares stood out  
demand being fuelled by news of  
the City property sales of Trafal-  
gar House, and the Property sec-  
tor index showed a rise of 2.7  
per cent. at 2 p.m. Official mark-  
ings made a disappointing show-  
ing, the day's total of 5,224  
bringing the week's daily average  
to 5,610 compared with 6,035 the  
previous week.

**Gilts continued**  
Fresh confirmation of the slow-  
down in the U.K. inflation rate  
failed to impress British Funds  
which moved narrowly and  
generally presented an easier  
bias. Occasional sales, though, to  
prevent a further fall in the  
previous two-day firmness, soon  
brought marginal losses among  
the longer maturities, but the  
shorts opened on a harder note.  
Eventually the latter, too, began  
to disappoint and just before the  
close the possibility of a new  
short put announcement at 3.30  
p.m. brought caution and  
resultant further slight eases.  
In the absence of a new issue,  
shortly-dated stocks finally re-  
verted to overnight levels but the  
longs retained their losses, these  
extending to 1 in the high-coupon  
maturities. A similar tendency  
among recently-issued Corpora-  
tions left Kensington and Chelsea  
77p. Speculative buying lifted

111 per cent. 1985-87 down 1  
at 141 in 10-point form.  
Engineering leaders moved  
narrowly and were rarely altered,  
but secondary issues often  
recorded useful gains. Hallite  
Holdings featured with a rise of  
16 to 135p in response to the good  
half-yearly results, while second  
thoughts about the dividend-  
boosting rights issue and profits  
statement took James Neill up 4  
to 94p. Tecamint, an old specu-  
lative favourite, advanced 6p  
to 121p, and Rotork improved 2  
similar amount to 124p. Still  
reflecting favourable Press men-  
tion, S. Osborn put on 4 more to  
81p, while gains of a like nature  
were established by Amalgamated  
Power, Clayton and Sons,  
75p, Compair, 104p, and Victor  
Products, 90p. Fluidrive, however,  
reacted 2 further to 72p on the  
profits warning and dividend wire  
news, and gave up 2 to 58p follow-  
ing the chairman's bearish remarks at  
the annual meeting about current  
trading.  
Overnight arbitrage offerings  
took rates for investment currency  
down before a repetition of this  
week's trading pattern, good  
institutional support being un-  
satisfied and causing temporary  
supply shortages, reversed the  
trend. Down to 76 per cent.  
Initially, the premium rallied to  
close a net 1 higher at 78 per cent.,  
exactly 10 points up on the week.  
Yesterday's SE conversion factor  
was 0.7356 (0.7364).



Details of the group's new capi-  
tal proposals helped Hill Samuel  
move forward 3 to 97p among  
Merchant Banks where Guinness  
seag was a similar amount dearer  
at 204p ahead of next Thursday's  
interim results. Keyser Ullmann  
hardened 2 to 47p. The major  
clearers closed quietly firm but  
the high-gate sale news of  
Lloyds decision to reduce the per-  
sonal loan rate had no effect on  
sentiment after hours. Lloyds  
ended unaltered at 290p, after  
263p, but Midland and NatWest  
reduced gains of 5 at 400p and  
255p respectively. Barclays har-  
dened 3 to 348p, after 350p. Dis-  
counts were harder in places.  
Ahead of their respective prelimi-  
nary statements next Monday, Wire  
Wednesday, Alexander added 8  
to 288p and Union 5 to 475p.  
Matthew Clark featured  
with a speculative rise of 16 to  
197p, after 187p, following  
Other issues were active, but little  
change following the previous  
day's late firmness on news that  
Allied Breweries had received  
permission for interim beer price  
increases. Allied closed frac-  
tionally better at 88p, while Scottish  
and Newcastle edged up 1p to 69p.  
Distillers concerns held firm after  
Thursday's slip on Distillers' de-  
cision to increase its export prices  
for whisky.  
Buildings closed the week with  
widespread gains. Richard Costain  
put on 10 to 274p and Taylor  
Woodward to 410p, while Richards  
among recently-issued Corpora-  
tions left Kensington and Chelsea  
77p. Speculative buying lifted

the week of 13; the preliminary  
figures were announced on Feb-  
ruary 3 last year. J. B. Bowden  
were active and 6 better at 104p,  
while Highgate and Job put on  
3 to 61p, but J. Bibby, at 223p,  
surrendered the previous day's  
rise of 6. In Supermarkets,  
William Morrison rose 6 more to  
200p.  
Better-than-expected prelimi-  
nary figures caused a late  
dip in business in Grand  
Metropolitan, which closed 1p  
harder at 108p. Norfolk Col-  
lins moved up 3 to 33p, while Myddle-  
ton, 205p, and Wheeler's Res-  
taurants, 260p, put on 5 apiece.  
Trafalgar House up  
Firm features were plentiful in  
miscellaneous industrials. Trafal-  
gar House stood out with a gain  
of 8 to 164p, after 165p, following  
confirmation of the group's sale  
of three City of London office  
developments for £5m.  
Hays Ward gained 5 to 157p in  
sympathy. Bechem put on 5 to  
1 firm Stores sector, the Ordinary  
rising 10 to 140p, after 142p, and  
Turner and Newall, 212p.

gained 5 and 4 respectively.  
Among secondary issues, Spong  
added 6 at 41p as did Harris Lebus  
to 70p. Still hoping for a higher  
offer, London Pavilion gained 15  
more to 513p and De La Rue  
revived with a rise of 18 at 233p.  
Improvements of 8 and 10 res-  
pectively were seen in Marshalls  
Universal 152p, and Photo-Me-  
International, 200p, while Talbot  
added 31 at 223p.  
Another busy trade developed  
in Motor Distributors. Heron, still  
reflecting recent trading news,  
rose 54 to 107p for a two-day gain  
of 9, while Appleyard, 83p, and  
Tate of Leeds, 50p, put on 4 and 7  
respectively. Wadham Stringer

Securities finished 4 dearer at  
228p, after 231p and MEEPC 5  
higher at 134p, after 136p. Stock  
Conversion advanced 6 more to  
270p with the help of favourable  
Press mention. Widespread and  
sometimes substantial gains were  
recorded in secondary issues.  
Great Portland, 232p, Apex, 242p,  
and Chesterfield, 250p, all moved  
up around 10, while B. Stanley,  
232p, and Churchbury, 268p, put  
on 8 apiece and Bradford  
Improved to 254p. Layton  
reflected satisfaction with the  
half-yearly results with a rise of  
3 to 123p.  
Leading Brits again traded  
rather quietly. British Petroleum  
moved narrowly and closed a few  
pence off at 806p, but Shell  
edged up 3 more to 517p. Else-  
where, Oil Exploration, a poor  
market recently on rumours of a  
dry well, encountered persistent  
selling and reacted to close 24  
lower at 240p, while Slebeus  
(U.K.) were also sold and closed  
9 cheaper at 263p, after 260p.  
Clifton Investments, at 9p, were  
prominent again in Investment  
Trusts, but this time lost 3 of the  
recent sharp advance following  
news that the talks currently  
taking place over the sale  
of a large block of shares will not  
lead to a general offer. BET  
Deferred, however, closed a like  
amount up at 110p reflecting  
comment on the interim  
report.  
Shipings had little to commu-  
nate. P and O Deferred closed  
unaltered at 115p, while J. Fisher,  
120p, and Commonwealth, 184p,  
put on 3 and 2 respectively.  
Dawson International attracted  
interest in Textiles, the Ordinary  
and A both closing 5 better at 113p  
and 112p respectively. Vha-129  
edged up a penny to 46p on the  
interim figures, while Twines A  
were active and ended 7 better at  
33p, after 36p, on demand in a thin  
market.

Markets W  
Anglo Transvaal, 12 higher at  
65p, provided the sole noteworthy  
movement in South African  
industrials.  
Publicity given to the proposed  
takeover of London Sumatra by  
a consortium comprising Roth-  
schild Investment Trust, McLeod  
Russell and Sipef SA created a  
good business in Rubbers which  
often closed 1p better.  
Sumatra rose 2 to 127p on the  
bid terms, Harrisons and Cros-  
field, which controls 43 per cent.  
of London Sumatra, rose 38 to  
75p, while Segomast, 135p, and  
Castlefield, 195p, put on 13 and  
23 respectively. Teas moved  
upwards with Lannua closing 20  
to the good at 240p.  
Platinum move ahead  
The sharp gain and heavy  
turnover in Platinums were the  
major features in mining markets

Properties in demand  
Confirmation of the major  
property sales by Trafalgar House  
which gave rise to expectations of  
a boost to property companies'  
asset values stimulated demand  
for Property shares. Leading  
issues moved briskly ahead before  
easing back a little to close the  
pace below the best. Land

## FINANCIAL TIMES STOCK INDICES

	Jan. 19	Jan. 18	Jan. 17	Jan. 16	Jan. 15	Jan. 14	Jan. 13	Jan. 12	Jan. 11	Jan. 10	Jan. 9	Jan. 8	Jan. 7	Jan. 6	Jan. 5	Jan. 4	Jan. 3	Jan. 2	Jan. 1
Government Sec.	77.25	77.58	77.00	76.74	77.40	77.55	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50	77.50
United States	80.92	80.97	80.83	80.88	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71	80.71
Interest: Ordinary	147.8	147.5	147.3	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9	147.9
Gold Mines	5.55	5.56	5.45	5.45	5.71	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67	5.67
Int. Dev. U.S.	16.94	16.90	17.19	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37	17.37
U.S. Savings B.	8.42	8.35	8.29	8.18	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22	8.22
U.S. Nat. Ind. C.	5.254	5.051	5.128	5.194	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174	5.174
Stocks: marked		95.56	94.94	68.51	62.55	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43	60.43
Equity turnover 2nd																			
Equity turnover 1st																			



## OFFSHORE AND OVERSEAS FUNDS

## INSURANCE, PROPERTY, BONDS

## NOTES

Prices do not include \$ premiums, except where indicated, and are in pence unless otherwise indicated. Yields % (shown in last column), allow for all buying expenses. Offered prices include all taxes and duties. Today's prices. c Yield based on offer price. d Estimated. e Today's opening price. f Distribution free of U.K. taxes. g Periodic premium insurance plans. h Single premium insurance. i Offered price includes commission except agent's commission. j Offered price includes all expenses if bought through managers. k Previous day's price. l Net of tax on realized gains. m Same under indication. n Guernsey gains. o Suspended. p Yield before Jersey tax. q Ex-substitution.

**RELIANCE SCHOOL OF INVESTMENT (CG)**  
**FREEPOST, London W11 3BR**



### HOTELS—Continued

## ENGINEERING—Continued

89	32	19	Salazar Sam 1up	30	76 87	10 10 5
136	48	18	Reesey Imis	111	1 95	1 8 9
25	14	25	Kennedy Sam 1up	241	3 23	7 7 4
110	512	21	Bershad A 15p	110	41 58	2 3 10
2471	160	7	Amiran	239	14 31	1 6 2
20 71	37	37	Alves E C Miles	69 11	64 5	1 1 1
10 0	45	60	L P Hitt	1 82	2 3	1 1 1
15 0				87		



a fully integrated banking service									
DAWA BANK									
Head Office: Osaka, Japan									
MINES—Continued									
CENTRAL AFRICAN									
1977-78	High	Low	Stock	Price	Par	Div.	Yld.	OTM	YTM
22	70	9	Falcon 200 Sh.	185	+5	Q30c	—	13	28.2
22	82	11	Rock Pk. 100 Sh.	121	+1	Q57 1/2	—	4	1.1
22	84	11	Rock Pk. 50 Sh.	121	—	Q57 1/2	—	11	8.2
22	84	11	Thompson 50 Sh.	125	—	Q57 1/2	—	11	8.2
22	84	11	Do. Prk. 40 Sh.	78	—	Q57 1/2	—	14	8.2
22	84	11	Whitaker 50 Sh.	78	—	Q57 1/2	—	14	8.2
22	84	11	Whitaker 3000 Sh.	110	+1	Q57 1/2	—	14	8.2
AUSTRALIAN									
28	10	9	Acacia 200 Sh.	174	—	Q10c	—	15	9.2
28	57	9	Bonville 30 Ton	174	—	Q10c	—	23	3.9
28	57	9	Rock Pk. 50 Sh.	69	—	Q10c	—	23	3.9
28	57	9	Rock Pk. 100 Sh.	69	—	Q10c	—	23	3.9
28	57	9	Thompson 50 Sh.	125	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9
28	57	9	Whitaker 3000 Sh.	110	—	Q10c	—	23	3.9
28	57	9	Whitaker 50 Sh.	78	—	Q10c	—	23	3.9

OPTIONS			3-month Call Rates		
1	1.C.I.	75	2	Yuko Invest.	36
2	Ever	75	3	United Fruit	36
3	1.C.I. Cannel	75	4	Ind. Drapery	75
4	1.C.I.	75	5	Victoria	75
5	1.C.I.	75	6	Woolman	6
6	1.C.I.	75	7	Prophary	
7	1.C.I.	75	8	Brit. Land	35
8	1.C.I.	75	9	Can. Comstn.	35
9	1.C.I.	75	10	Imperial	35
10	1.C.I.	75	11	Land Secs.	10
11	1.C.I.	75	12	M&P	125
12	1.C.I.	75	13	Woolman	125
13	1.C.I.	75	14	Summit Prop.	125
14	1.C.I.	75	15	Town & City	2
15	1.C.I.	75	16	Oils	
16	1.C.I.	75	17	Edmond	69
17	1.C.I.	75	18	Shell Oil	69
18	1.C.I.	75	19	Charterland	35
19	1.C.I.	75	20	Shell	35
20	1.C.I.	75	21	Ultramar	22
21	1.C.I.	75	22	Ultramar	22
22	1.C.I.	75	23	Mines	
23	1.C.I.	75	24	Charter Com.	15
24	1.C.I.	75	25	Cons. Gold	15
25	1.C.I.	75	26	Cons. Gold	15
26	1.C.I.	75	27	Cons. Gold	15
27	1.C.I.	75	28	Cons. Gold	15
28	1.C.I.	75	29	Cons. Gold	15
29	1.C.I.	75	30	Cons. Gold	15
30	1.C.I.	75	31	Cons. Gold	15
31	1.C.I.	75	32	Cons. Gold	15
32	1.C.I.	75	33	Cons. Gold	15
33	1.C.I.	75	34	Cons. Gold	15
34	1.C.I.	75	35	Cons. Gold	15
35	1.C.I.	75	36	Cons. Gold	15
36	1.C.I.	75	37	Cons. Gold	15
37	1.C.I.	75	38	Cons. Gold	15
38	1.C.I.	75	39	Cons. Gold	15
39	1.C.I.	75	40	Cons. Gold	15
40	1.C.I.	75	41	Cons. Gold	15
41	1.C.I.	75	42	Cons. Gold	15
42	1.C.I.	75	43	Cons. Gold	15
43	1.C.I.	75	44	Cons. Gold	15
44	1.C.I.	75	45	Cons. Gold	15
45	1.C.I.	75	46	Cons. Gold	15
46	1.C.I.	75	47	Cons. Gold	15
47	1.C.I.	75	48	Cons. Gold	15
48	1.C.I.	75	49	Cons. Gold	15
49	1.C.I.	75	50	Cons. Gold	15
50	1.C.I.	75	51	Cons. Gold	15
51	1.C.I.	75	52	Cons. Gold	15
52	1.C.I.	75	53	Cons. Gold	15
53	1.C.I.	75	54	Cons. Gold	15
54	1.C.I.	75	55	Cons. Gold	15
55	1.C.I.	75	56	Cons. Gold	15
56	1.C.I.	75	57	Cons. Gold	15
57	1.C.I.	75	58	Cons. Gold	15
58	1.C.I.	75	59	Cons. Gold	15
59	1.C.I.	75	60	Cons. Gold	15
60	1.C.I.	75	61	Cons. Gold	15
61	1.C.I.	75	62	Cons. Gold	15
62	1.C.I.	75	63	Cons. Gold	15
63	1.C.I.	75	64	Cons. Gold	15
64	1.C.I.	75	65	Cons. Gold	15
65	1.C.I.	75	66	Cons. Gold	15
66	1.C.I.	75	67	Cons. Gold	15
67	1.C.I.	75	68	Cons. Gold	15
68	1.C.I.	75	69	Cons. Gold	15
69	1.C.I.	75	70	Cons. Gold	15
70	1.C.I.	75	71	Cons. Gold	15
71	1.C.I.	75	72	Cons. Gold	15
72	1.C.I.	75	73	Cons. Gold	15
73	1.C.I.	75	74	Cons. Gold	15
74	1.C.I.	75	75	Cons. Gold	15
75	1.C.I.	75	76	Cons. Gold	15
76	1.C.I.	75	77	Cons. Gold	15
77	1.C.I.	75	78	Cons. Gold	15
78	1.C.I.	75	79	Cons. Gold	15
79	1.C.I.	75	80	Cons. Gold	15
80	1.C.I.	75	81	Cons. Gold	15
81	1.C.I.	75	82	Cons. Gold	15
82	1.C.I.	75	83	Cons. Gold	15
83	1.C.I.	75	84	Cons. Gold	15
84	1.C.I.	75	85	Cons. Gold	15
85	1.C.I.	75	86	Cons. Gold	15
86	1.C.I.	75	87	Cons. Gold	15
87	1.C.I.	75	88	Cons. Gold	15
88	1.C.I.	75	89	Cons. Gold	15
89	1.C.I.	75	90	Cons. Gold	15
90	1.C.I.	75	91	Cons. Gold	15
91	1.C.I.	75	92	Cons. Gold	15
92	1.C.I.	75	93	Cons. Gold	15
93	1.C.I.	75	94	Cons. Gold	15
94	1.C.I.	75	95	Cons. Gold	15
95	1.C.I.	75	96	Cons. Gold	15
96	1.C.I.	75	97	Cons. Gold	15
97	1.C.I.	75	98	Cons. Gold	15
98	1.C.I.	75	99	Cons. Gold	15
99	1.C.I.	75	100	Cons. Gold	15
100	1.C.I.	75	101	Cons. Gold	15
101	1.C.I.	75	102	Cons. Gold	15
102	1.C.I.	75	103	Cons. Gold	15
103	1.C.I.	75	104	Cons. Gold	15
104	1.C.I.	75	105	Cons. Gold	15
105	1.C.I.	75	106	Cons. Gold	15
106	1.C.I.	75	107	Cons. Gold	15
107	1.C.I.	75	108	Cons. Gold	15
108	1.C.I.	75	109	Cons. Gold	15
109	1.C.I.	75	110	Cons. Gold	15
110	1.C.I.	75	111	Cons. Gold	15
111	1.C.I.	75	112	Cons. Gold	15
112	1.C.I.	75	113	Cons. Gold	15
113	1.C.I.	75	114	Cons. Gold	15
114	1.C.I.	75	115	Cons. Gold	15
115	1.C.I.	75	116	Cons. Gold	15
116	1.C.I.	75	117	Cons. Gold	15
117	1.C.I.	75	118	Cons. Gold	15
118	1.C.I.	75	119	Cons. Gold	15
119	1.C.I.	75	120	Cons. Gold	15
120	1.C.I.	75	121	Cons. Gold	15
121	1.C.I.	75	122	Cons. Gold	15
122	1.C.I.	75	123	Cons. Gold	15
123	1.C.I.	75	124	Cons. Gold	15
124	1.C.I.	75	125	Cons. Gold	15
125	1.C.I.	75	126	Cons. Gold	15
126	1.C.I.	75	127	Cons. Gold	15
127	1.C.I.	75	128	Cons. Gold	15
128	1.C.I.	75	129	Cons. Gold	15
129	1.C.I.	75	130	Cons. Gold	15
130	1.C.I.	75	131	Cons. Gold	15
131	1.C.I.	75	132	Cons. Gold	15
132	1.C.I.	75	133	Cons. Gold	15
133	1.C.I.	75	134	Cons. Gold	15
134	1.C.I.	75	135	Cons. Gold	15
135	1.C.I.	75	136	Cons. Gold	15
136	1.C.I.	75	137	Cons. Gold	15
137	1.C.I.	75	138	Cons. Gold	15
138	1.C.I.	75	139	Cons. Gold	15
139	1.C.I.	75	140	Cons. Gold	15
140	1.C.I.	75	141	Cons. Gold	15
141	1.C.I.	75	142	Cons. Gold	15
142	1.C.I.	75	143	Cons. Gold	15
143	1.C.I.	75	144	Cons. Gold	15
144	1.C.I.	75	145	Cons. Gold	15
145	1.C.I.	75	146	Cons. Gold	15
146	1.C.I.	75	147	Cons. Gold	15
147	1.C.I.	75	148	Cons. Gold	15
148	1.C.I.	75	149	Cons. Gold	15
149	1.C.I.	75	150	Cons. Gold	15
150	1.C.I.	75	151	Cons. Gold	15
151	1.C.I.	75	152	Cons. Gold	15
152	1.C.I.	75	153	Cons. Gold	15
153	1.C.I.	75	154	Cons. Gold	15
154	1.C.I.	75	155	Cons. Gold	15
155	1.C.I.	75	156	Cons. Gold	15
156	1.C.I.	75	157	Cons. Gold	15
157	1.C.I.	75	158	Cons. Gold	15
158	1.C.I.	75	159	Cons. Gold	15
159	1.C.I.	75	160	Cons. Gold	15
160	1.C.I.	75	161	Cons. Gold	15
161	1.C.I.	75	162	Cons. Gold	15
162	1.C.I.	75	163	Cons. Gold	15
163	1.C.I.	75	164	Cons. Gold	15
164	1.C.I.	75	165	Cons. Gold	15
165	1.C.I.	75	166	Cons. Gold	15
166	1.C.I.	75	167	Cons. Gold	15
167	1.C.I.	75	168	Cons. Gold	15
168	1.C.I.	75	169	Cons. Gold	15
169	1.C.I.	75	170	Cons. Gold	15
170	1.C.I.	75	171	Cons. Gold	15
171	1.C.I.	75	172	Cons. Gold	15
172	1.C.I.	75	173	Cons. Gold	15
173	1.C.I.	75	174	Cons. Gold	15
174	1.C.I.	75	175	Cons. Gold	15
175	1.C.I.	75	176	Cons. Gold	15
176	1.C.I.	75	177	Cons. Gold	15
177	1.C.I.	75	178	Cons. Gold	15
178	1.C.I.	75	179	Cons. Gold	15
179	1.C.I.	75	180	Cons. Gold	15
180	1.C.I.	75	181	Cons. Gold	15
181	1.C.I.	75	182	Cons. Gold	15
182	1.C.I.	75	183	Cons. Gold	15
183	1.C.I.	75	184	Cons. Gold	15
184	1.C.I.	75	185	Cons. Gold	15
185	1.C.I.	75	186	Cons. Gold	15
186	1.C.I.	75	187	Cons. Gold	15
187	1.C.I.	75	188	Cons. Gold	15
188	1.C.I.	75	189	Cons. Gold	15
189	1.C.I.	75	190	Cons. Gold	15
190	1.C.I.	75	191	Cons. Gold	15
191	1.C.I.	75	192	Cons. Gold	15
192	1.C.I.	75	193	Cons. Gold	15
193	1.C.I.	75	194	Cons. Gold	15
194	1.C.I.	75	195	Cons. Gold	15
195	1.C.I.	75	196	Cons. Gold	15
196	1.C.I.	75	197	Cons. Gold	15
197	1.C.I.	75	198	Cons. Gold	15
198	1.C.I.	75	199	Cons. Gold	15
199	1.C.I.	75	200	Cons. Gold	15

A selection of Options traded is given on the  
London Stock Exchange Report page



## MAN OF THE WEEK

### Bringing steel to heel

BY RUPERT CORNWELL

**MOMENTOUS EVENTS** often take place in the most hum-drum fashion; and so it was earlier this week when Miss Mary Frampton popped into the British Steel Corporation's headquarters in Grosvenor Place. Yet the communication she so swiftly and matter-of-factly delivered to Sir Charles Williams, BSC's chairman, may well prove to be a constitutional milestone. As Clerk-in-Charge from the Commons she was the messenger of a Parliament seeking to reassert its ancient but almost forgotten powers as the supreme authority of the Realm.

It could be, as Sir Charles has said, that those famous papers on the Corporation's finances



RUSSELL KERR, MP

contain no earth-shaking secrets (although the photostat documents obligingly sent last week-end to national newspapers by "Hotcoi", BSC's answer to "Deep Throat", have whetted everyone's appetite). No matter, a Commons Select Committee has for once faced down one of its eminent witnesses and, in the drama it has set in motion, may end, no-one any longer can predict.

Momentous events also have a knack of throwing up the most improbable heroes. And it is no disrespect to Russell Kerr to say that he is not the man one would have cast as symbol of the legislature's revolt. He indeed would be the first to admit that. The role moreover he has played as chairman of the Select Committee on Nationalised Industries, at the centre of the steel affair, has produced recrimination and discomfort enough to make him wish the hurricane had blown somewhere else.

At 58, and Labour MP for Feltham for almost 12 years, he had seemingly found his niche: elder statesman of the left-wing Tribune Group (and Director of the newspaper whence it drew its name) and a Tory hater of redoubtable proportions. The technique consists of asides delivered seated from the Front Bench below the gangway in an unmistakable rumbling growl. Australian-born and educated, and a member of the RAF's Pathfinder Group during the war it is not surprising he has become a pillar of Westminster's sporting occasions. Cricket in particular, but golf as well. One prodigious hook of the first tee in a parliamentary meeting a few years ago prompted his partner, the then Speaker, Mr. Selwyn Lloyd to remark: "Keeping left as usual, Russ."

By Mary Campbell

**THE EUROSTERLING** bond market reopened last night with the announcement of two new issues, one worth £25m for the European Investment Bank and the other worth £15m for Rowntree Macintosh.

The Eurosterling bond market started last November but a deterioration in market conditions combined with the speed with which borrowers sought to tap the market in its embryonic stages, brought an abrupt halt to issuing activity.

All but one of the six issues, worth £120m, which were launched in November, have raised heavy discounts from their offering prices until very recently.

In the last few weeks, the fall in sterling short term interest rates and the strength of the pound on the foreign exchange markets have led to a recovery in the prices of the outstanding Eurobond issues.

There has been speculation on several occasions recently that the market would reopen.

The terms of the two new issues have been set with an eye to the yields on the six outstanding issues.

Rowntree Macintosh is indicating that it will pay 10 1/2 per cent.

The terms of the EIB offering have been fixed at a 9 1/2 per cent yield—the issue has been bought in advance by the managers. There will be no underwriting group but up to half of it will be available to the market at a discount of 1 1/2 per cent from the face value.

Schwartz is lead manager for the Rowntree offering and Warburgs for the EIB. For Rowntree Macintosh, the issue will be its first foray into the international capital markets. It proposes to use the proceeds mainly to repay short and medium term foreign currency debt.

## U.S. and Arab links for Hill Samuel

BY MICHAEL BLANDEN

**HILL SAMUEL**, the London merchant bank, is planning to expand its international business after the establishment of new links with a leading Texan bank and a widely-based consortium which includes extensive Arab participation.

The move will give the Hill Samuel Group an immediate injection of £9.3m. of new capital on top of its present shareholders' funds of about £70m.

Sir Kenneth Keith, group chairman, said yesterday that he regarded the extra resources as rather less important than the opportunity which the development would give for the group to take a step forward in its international operations.

Under the scheme, the Hill Samuel Group has agreed to inject £9.3m. into Banque Arabe et Internationale d'Investissement and to First City Bancorporation, of Texas.

The Banque Arabe group is a Paris-based consortium merchant bank owned through a Luxembourg holding company by a wide range of institutional shareholders. Half the capital is held by leading Arab financial institutions and the other half owned by non-Arab banks from 14 different countries, including Barclays Bank in the U.K. and Bank of America.

Hill Samuel is to issue to Banque Arabe a total of 3.3m. ordinary shares at a price of 100p each together with £6m. of 7 1/2 per cent convertible unsecured loan stock 1983 at par. The loan stock will be convertible at 120p a share at any

time from July 31, 1980.

First City Bancorporation is a multi-bank holding company, the second largest in Texas. Its main bank subsidiary is First City National Bank of Houston, which is a leading specialist in the oil and energy industries, with branches in London and Nassau.

The Texas group is to subscribe for 2m. Ordinary shares of Hill Samuel at 100p a share. It will also be granted the right, at specified periods in each of the next three years, to subscribe for up to a further 1.3m. shares on terms to be agreed at the time.

The news yesterday raised Hill Samuel group shares to 97p compared with 94p on Thursday.

Approval

The arrangement is subject to the normal official consents as well as the approval of shareholders of Hill Samuel. The group indicated yesterday, however, that it had talked to the Bank of England, which keeps a close eye on foreign shareholdings in the U.K. accepting houses—and did not expect any problems.

Sir Kenneth said that Hill Samuel had been trying for about 20 years to internationalise the group operations, including attempts to merge with other companies which could have provided a greater basis of resources such as MEPC and Slater Walker.

The group was now going into partnership rather than trying to

develop on its own. The proposed shareholdings were the outward sign of the relationship which would be built up. Texas and the Middle East, Sir Kenneth said, were two of the fastest growing areas of the world economy, generating both cash and business.

Sir Robert Clark, group chief executive, said Hill Samuel could offer services to its new shareholders in areas of the world such as Australia where they were not represented. It could also provide the expertise in international merchant banking required by the Arab countries.

Benefits were expected to accrue not only in merchant banking but also in other areas of the group's activities, such as insurance, ship broking and investment management.

After the deal, Banque Arabe will hold 5.2 per cent of the increased capital of Hill Samuel Group. First City Bancorporation will own 3.1 per cent. If Banque Arabe exercises its full conversion rights and the Texas bank takes up its options on further shares, Banque Arabe's holding will increase to 8.7 per cent and First City's to 4.8 per cent.

M. Yves Truffert, chairman of the Banque Arabe group, and Mr. James Ekins, chairman of First City Bancorporation, will be appointed to the Board of Hill Samuel Group. Mr. Roger Azar, of Banque Arabe, will be appointed to the Board of certain operating subsidiaries.

Appointments Page 23

## Davy heads world bidders for big Venezuelan works

BY JOSEPH MANN

**BRITISH COMPANIES** will bid in the coming weeks for major Venezuelan projects in offshore oil exploration and steel. It was learned today.

Davy International, which will head a consortium which last year won a £200m-plus contract for a steelworks in Brazil, of British, German, French and Japanese partners in bidding for construction of the first stage of the steelworks in Western Venezuela.

The Zulia plant, originally to be wholly-owned by the Venezuelan Government, will now be a mixed capital venture with 51 per cent of the equity held by the Venezuelan government and 49 per cent by private investors, most probably foreign.

The Venezuelans plan to build a steel mill near Lake Maracaibo capable eventually of producing

5m. tonnes of liquid steel a year. They are now asking for tenders on construction of the first stage of the project, a facility able to produce 1.1m. tonnes of liquid steel a year, and costing about £750m.

The group headed by Davy is to offer Venezuela financial, engineering, construction, equipment supply and manpower training services for the steel mill itself, and many associated projects.

Total costs of the Zulia complex (not expected to be completed until the early 1990s, if the Government decides to carry through) are estimated at about £800m. Other groups will make offers on the Zulia project, but Davy is said to have assembled the largest and most complete consortium.

KCA Drilling, a subsidiary of

KCA International (formerly Berry Wiggins), will bid during the next six to eight weeks for major offshore oil-drilling contracts offered by the Venezuelan Government.

News of the two British initiatives came at the end of a six-day visit by Dr. J. Dickson Mabon, Minister of State for Energy, and other U.K. representatives.

Dr. Mabon told reporters that his group had discussed Anglo-Venezuela co-operation in offshore exploration and oil production, solar power, the Zulia steelworks, aluminium, bauxite and agriculture with Venezuelan officials. He said that companies such as KCA, Davy, Matthew Hall Engineering, GEC, BP and John Brown were engaged in talks with Venezuela.

CARACAS, Jan. 20.

## Record trade surplus for Japan

BY CHARLES SMITH

TOKYO, Jan. 20.

**JAPAN** had a trade surplus of \$2.1bn. (£1.6bn.) last month on a customs clearance basis, reported by a wide margin, the Finance Ministry reported today. The previous largest surplus, last July, was \$1.45bn. or \$700m. short of the December figure.

The customs clearance basis for calculating trade figures includes freight and insurance in the value of imports, and thus understates the real amount of surplus.

On an International Monetary Fund basis—with exports and imports both calculated f.o.b.—the December trade surplus may turn out to have been about \$3bn.

The surplus reflects a patchy export performance, with car exports falling sharply, but other major items such as steel and ships running well below the levels of a year before, coupled with extremely depressed imports.

In terms of U.S. dollars, exports were 17.6 per cent, to \$3.57bn., while imports rose 6.9 per cent to \$2.36bn.

On what has now become the more realistic yen basis, given the dollar's sharp depreciation, exports were 3.9 per cent down on a year ago while imports fell 1.6 per cent.

Imports remain flat because Japanese industry is operating at far below normal capacity, and therefore does not require additional input of raw materials, which, with oil, make up more than 60 per cent of Japan's imports.

Consumer demand is also flat, reflecting a lack of confidence by wage-earners in the economy's future and their own job security.

The dollar fell against the yen for the first time in a week on the Tokyo foreign exchange market today in apparent reaction to the trade figures.

The closing rate for the dollar was ¥241.90, down from Thursday night's close of ¥242.55.

Japan is a relatively busy day in the stock market with \$258m. changing hands, compared with Thursday's \$182m. Last month's record trade surplus will be followed by a deficit in January, reflecting seasonal factors.

## Leyland re-phases price increases

By Terry Dodsworth, Motor Industry Correspondent

**A FIRM INDICATION** that the U.K. motor industry will abandon its established pattern of quarterly price increases, this year in favour of two half-yearly rises emerged yesterday from Leyland Cars.

The State-owned company is to raise its prices by an average of 6.5 per cent on Monday, taking the 850 Mini over the £2,000 mark including delivery charges. But it "envisaged" that the rise would be the first of only two price increases it would introduce this year.

The Prices Department indicated last week that it felt the big four manufacturers were taking advantage of the three-monthly allowable increase system.

In response, most of the producers had not to apply for a rise last autumn, and since then material costs and the rate of inflation have moved in their favour.

Leyland's increase is by far the largest of the present round, which began with Vauxhall in December with a 5.2 per cent average rise. Ford's prices have gone up by 4.8 per cent and Chrysler's by 4.5 per cent.

Leyland's decision to go for a higher increase seems to have been prompted by the determination of Mr. Michael Edwards, the new chairman, to maintain margins as much as possible rather than pursue a competitive pricing policy.

Examples of the new Leyland prices are: Mini 850 £1,990 (old price £1,893); Allegro 1500 Super four-door £2,531 (£2,489); Marina 1.3 DL four-door £2,647 (£2,483); Princess 1800 HL £2,707 (£2,564); Rover 2600 £3,982 (£3,830); Jaguar XJ 3.4 £22,220 (£21,630).

Philip Rawstone, Leyland's former British Leyland chairman, says today that the corporation might have been saved from the "rather stupid" plan devised by Lord Ryder, former head of the National Enterprise Board, by a tougher investigation by the Commons Trade and Industry Committee.

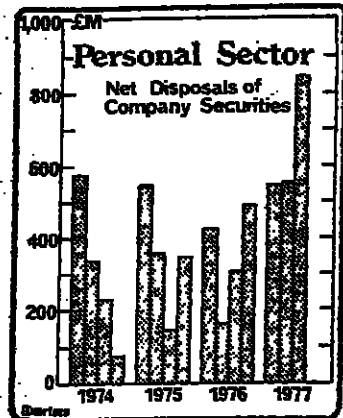
The committee's inquiry could have asked "much more difficult questions" about the plan, he says in an interview recorded for the Independent Radio News programme, Decision Makers.

Recall of Leyland cars, Page 19

THE LEX COLUMN

## Conversion hints from Grand Met.

Index rose 1.6 to 487.6



Grand Metropolitan exceeded all expectations yesterday with pre-tax profits up 36 per cent at £77.8m., compared with the 30 per cent improvement most analysts had been going for. The figures pushed the shares up 1 1/2 to 108 1/2p and added weight to the arguments in favour of conversion of Grand Met's 10 per cent unsecured loan stock. Those stockholders who wish to avoid a lower yield on their investment should sell out before the conversion period ends on March 19.

The results reflect good performance by all Grand Metropolitan's divisions with the exception of the managed public houses, where trading conditions were difficult, and wines and spirits, where currency effects took a heavy toll. Below the line, extraordinary items include a £7.2m. credit on sales of property and investments and charges of £5.6m. for the effects of currency translation, and £1.7m. in respect of post balance sheet losses on the closure of the Hawley's Bakeries business in Birmingham.

If Grand Met had not provided for deferred tax, basic earnings per share would probably increase from 12.2p to about 17p, while the diluted EPS would be around 13, instead of 9.4.

Grand Met has improved its overall net margin from 3.8 per cent to 4.7 per cent, aided by an unchanged interest charge. However, as in previous years, the figures do not include any charge for depreciation on buildings. GM has chosen to ignore the international accounting standard, and will only follow the new U.K. depreciation standard, when it becomes binding, in its 1978 accounts. To facilitate this a full valuation of all properties is to be commissioned.

Borrowings have dropped from 152 per cent of shareholders' funds at the end of last year to 129 per cent at the balance sheet date and conversion of the loan stock should further reduce the gearing to around 75 per cent of the equity. Without half the interest charge on the convertible, adding about £6m., 1978 profits may not be far off £100m. pre-tax.

however, Citibank sold out and went on to establish itself as probably the most successful of all international banks while ten years later Hill Samuel is still trying to find the right international formula.

Over the years it has contemplated merging with groups such as MEPC and Slater Walker as well as going it alone. But in common with most of the Accepting Houses it is now realising that it is no bad thing to have an international partner. This is the background to yesterday's announcement that a medium-sized Texan bank and a small, but well-connected Arab consortium bank are taking a stake of 8.3 per cent in the Hill Samuel Group.

On paper the move has its attractions. Texas is one of the wealthiest and fastest growing states in America and apart from recently taking a 10 per cent stake in the National Bank of Ras al Khaimah (pop. 57,000), Hill Samuel has hardly made a mark in the important Middle East market. The group says that the primary purpose of these investments "to secure a close working relationship between the three groups." But the fact that it also raised £9.3m. should not be overlooked given the group's lowly market capitalisation of under £60m.

Under the scheme, the Hill Samuel Group has agreed to inject £9.3m. into Banque Arabe et Internationale d'Investissement and to First City Bancorporation, of Texas.

The Banque Arabe group is a Paris-based consortium merchant bank owned through a Luxembourg holding company by a wide range of institutional shareholders. Half the capital is held by leading Arab financial institutions and the other half owned by non-Arab banks from 14 different countries, including Barclays Bank in the U.K. and Bank of America.

Hill Samuel is to issue to Banque Arabe a total of 3.3m. ordinary shares at a price of 100p each together with £6m. of 7 1/2 per cent convertible unsecured loan stock 1983 at par. The loan stock will be convertible at 120p a share at any

time from July 31, 1980.

First City Bancorporation is a multi-bank holding company, the second largest in Texas. Its main bank subsidiary is First City National Bank of Houston, which is a leading specialist in the oil and energy industries, with branches in London and Nassau.

The Texas group is to subscribe for 2m. Ordinary shares of Hill Samuel at 100p a share. It will also be granted the right, at specified periods in each of the next three years, to subscribe for up to a further 1.3m. shares on terms to be agreed at the time.

The news yesterday raised Hill Samuel group shares to 97p compared with 94p on Thursday.

Approval

The arrangement is subject to the normal official consents as well as the approval of shareholders of Hill Samuel. The group indicated yesterday, however, that it had talked to the Bank of England, which keeps a close eye on foreign shareholdings in the U.K. accepting houses—and did not expect any problems.

Sir Kenneth said that Hill Samuel had been trying for about 20 years to internationalise the group operations, including attempts to merge with other companies which could have provided a greater basis of resources such as MEPC and Slater Walker.

The group was now going into partnership rather than trying to

develop on its own. The proposed shareholdings were the outward sign of the relationship which would be built up. Texas and the Middle East, Sir Kenneth said, were two of the fastest growing areas of the world economy, generating both cash and business.

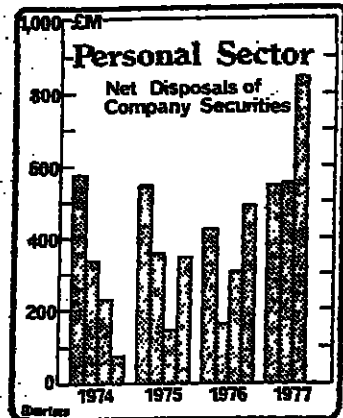
Sir Robert Clark, group chief executive, said Hill Samuel could offer services to its new shareholders in areas of the world such as Australia where they were not represented. It could also provide the expertise in international merchant banking required by the Arab countries.

Benefits were expected to accrue not only in merchant banking but also in other areas of the group's activities, such as insurance, ship broking and investment management.

After the deal, Banque Arabe will hold 5.2 per cent of the increased capital of Hill Samuel Group. First City Bancorporation will own 3.1 per cent. If Banque Arabe exercises its full conversion rights and the Texas bank takes up its options on further shares, Banque Arabe's holding will increase to 8.7 per cent and First City's to 4.8 per cent.

M. Yves Truffert, chairman of the Banque Arabe group, and Mr. James Ekins, chairman of First City Bancorporation, will be appointed to the Board of Hill Samuel Group. Mr. Roger Azar, of Banque Arabe, will be appointed to the Board of certain operating subsidiaries.

Appointments Page 23



children, failed to stop the "three sisters" merger to form Harrods. Again recently when McLeod Russell made an offer for the H and C associate Malaysian. Subsequently H and C made a higher counterbid for Makoblam and then announced a takeover offer for Harrods Investment Trust, another associate which holds significant stakes in a number of the plantation companies within the tangled H and C empire.

Now there have been two further offensives by Rothschild, backing consortia which include McLeod Russell, Hume Holdings, and Sipef, a Belgian-based plantation operation. On Thursday one consortium announced a bid of 110p a share for London Sumatra, yet another H and C associate. And last night it emerged that Rothschild, on behalf of a slightly different consortium, is prepared to offer 80p a share cash in the market for up to 30 per cent of Harrods, topping both H and C's revised 82p cash alternative, and its share exchange offer, worth 88p.

Plainly shareholders in the H and C group now have to think very carefully before taking action. They may wonder why the Harrods Board and its advisers Lazard are still recommending the H and C terms although there is a buyer for at least some of the shares at a higher price. And they may wonder whether, if London Sumatra is really worth 110p compared with 88p in the market at the end of last month, some of the other plantation shares in the Harrods portfolio also have hidden charms.

Is H and C trying to strengthen its control of all these companies on the cheap? Shareholders in the H and C camp are entitled to further explanations, even though they may also be suspicious of Rothschild's motives.

Sterling Eurobonds

The fledgling sterling Eurobond market has come back to life with the announcement of two new issues—£25m. for the European Investment Bank and £15m. for Rowntree Macintosh. However, after last month's debacle, when most of the issues went to deep discounts, the managers of the two new issues are treading cautiously. Although long-term rates have eased somewhat since the first batch, the coupon on the EIB issue is the same as that on the previous EIB issue but it is a shorter maturity.

The Eurosterling bond market started last November but a deterioration in market conditions combined with the speed with which borrowers sought to tap the market in its embryonic stages, brought an abrupt halt to issuing activity.

All but one of the six issues, worth £120m, which were launched in November, have raised heavy discounts from their offering prices until very recently.

In the last few weeks, the fall in sterling short term interest rates and the strength of the pound on the foreign exchange markets have led to a recovery in the prices of the outstanding Eurobond issues.

There has been speculation on several occasions recently that the market would reopen.

The terms of the two new issues have been set with an eye to the yields on the six outstanding issues.

Rowntree Macintosh is indicating that it will pay 10 1/2 per cent.

The terms of the EIB offering have been fixed at a 9 1/2 per cent yield—the issue has been bought in advance by the managers. There will be no underwriting group but up to half of it will be available to the market at a discount of 1 1/2 per cent from the face value.

Schwartz is lead manager for the Rowntree offering and Warburgs for the EIB. For Rowntree Macintosh, the issue will be its first foray into the international capital markets. It proposes to use the proceeds mainly to repay short and medium term foreign currency debt.

Appointments Page 23

## Cosmopolitan Fund Managers Ltd. announce their

### FIRST PUBLIC OFFER

since the acquisition by

## Joseph Sanders & Partners

COSMOPOLITAN GROWTH FUND  
FIXED PRICE OFFER OF 18.8p CLOSING 3rd FEB 1978

INVESTMENT POLICY  
The policy is to invest in U.K. equities with the emphasis on successful smaller companies where the dividends are more than four times covered. Joseph Sanders & Partners provide a full comprehensive investment advisory service and manage funds in excess of £200,000,000.

YOUR REASSURANCE  
The Trust is a Member of the British Trustee Association and is regulated by the Financial Services Commission. The Fund is a member company of the Investment Association and is authorised by the Secretary of State for Trade.

TAX ADVANTAGES AND SELLING UNITS  
The Trust is a member of the Investment Association and is authorised by the Secretary of State for Trade. The Fund is a member company of the Investment Association and is authorised by the Secretary of State for Trade.

CLOSING DATE  
The offer will close on 3rd February 1978. Applications should be made to the Fund Managers as soon as possible.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

SHARE SCHEME  
The Fund is a member of the Investment Association and is authorised by the Secretary of State for Trade. The Fund is a member company of the Investment Association and is authorised by the Secretary of State for Trade.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.

ESTIMATED GROSS YIELD 4.9%  
The estimated gross yield of the Fund is 4.9% based on the current market price of 18.8p.